

BUSINESS WEEK

YEAR
AGO
WEEK
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START
OF
WAR
1939



President Truman has a message for the American people from his military commanders (page 69)

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Laws have a habit of coming home to roost

IN 1933 a number of laws were introduced in Congress to limit use of efficiency-producing machine tools. Some people mistakenly thought those laws would "spread the work". The laws certainly would have killed the American machine tool industry, without which experts say we would have lost the war in 1942.

Look out. There will be similar laws suggested in the future. Not only would they weaken the country against potential enemies; they would also weaken and destroy all chance of a decent standard of living for the very workmen they are supposed to benefit.

A workman can only be paid out of what he produces. Modern machines efficiently used help him produce more and so be worth more.

When the war is over there will be tens of thousands of excellent war-built machine tools. If tax laws let industry accumulate enough money to buy them, if industry buys them, if workmen use them efficiently, the cost of American products will go down. That means the market for American products will go up. That means jobs for American workmen including our returning soldiers—and it is the *only* way they can be assured jobs worthy of returning heroes.



**YOU CAN MACHINE IT BETTER, FASTER
FOR LESS... WITH A WARNER & SWASEY**

In war or peace
B.F. Goodrich
FIRST IN RUBBER



They "buttoned up a lip" and got a waterproof zipper

typical example of B. F. Goodrich development in rubber

ONE of the quickest ways to close a life-saving suit is with a slide zipper. But ordinary fasteners let in water.

B.F. Goodrich engineers, who produced the original zipper years ago, saw the war-time value of such a device and went to work, for they knew it was only one of many war-time needs for a quick and tight fastener. They put a rubber lip on each side of the article to be sealed; the lips lap just under the fastener and have enough stiffness to seal tight

against any pressure of air or liquid that the metal fastener itself can stand.

Already there are many war uses for this waterproof, airproof zipper. In peace this zipper will improve overshoes and raincoats, will make better tents, and will have a score of other uses in clothing and industry.

The waterproof zipper is a typical result of the B. F. Goodrich research policy—that no development is ever finished, that everything can and must be improved. It is this policy that has resulted in the B. F. Goodrich leak-

proof acid tanks, in new adhesives with extraordinary bonding strength, in the B. F. Goodrich cord conveyor belt which gives ten times the impact resistance of previous belts, in nonstatic sand-blast hose—and in hundreds and hundreds of other improvements in rubber and synthetic products which serve industry better, reduce costs, and meet new needs. *The B. F. Goodrich Company, Akron, Ohio.*

B. F. Goodrich
 RUBBER and SYNTHETIC products



This machine is forming the strands for "Slevelay," a superior rope pioneered by Plymouth for the Marine industry. Plymouth also makes many other kinds of rope for special jobs, such as Nylon, Saran or glass rope.



David Dietz, Science Editor of Scripps-Howard, tells how science met an exacting rope job.

"In a Southern plant, rope that could stand the heat of 800° F. was needed, to pull cars of materials through fiery kilns a quarter of a mile long. Plymouth Rope engineers were consulted. They developed a special rope made of glass fibers, which laughs at heat waves.

"Making rope that does its job to perfection is a matter of engineering it to exact specifications. That's why every inch of Plymouth Rope is scientifically constructed. Rope is built from hundreds of tiny, hair-like fibers, spun into yarns, then into strands, then into rope.

"Plymouth solves these problems by applying uniform control to each step of production, from the selection of the right fibers to the drawing and degree of twist that turn those fibers into rope. The art of rope-making has advanced far at Plymouth, world's largest rope plant, where rope is engineered to give greater strength, longer life, more useful performance . . . on farms, on the sea, and in industry."

Plymouth Cordage Company, Plymouth, Massachusetts. District Offices: New York, Chicago, Houston, San Francisco.

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WHERE TO FIND IT

Canada
Figures of the Week
Finance
General News
Labor
The Labor Angle
Marketing
The Markets
New Products
The Outlook
Production
The Regional Market Outlook
The Trading Post
The Trend
The War and Business Abroad
War Business Checklist
Washington Bulletin

The Pictures—Cover, 15—Press Assn.; 16—Milton Washburn; 19—Wide World; 32, 90, 94—Acme.

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HOME-FRONT CHART

Next milestone in reconversion will be the July 1 report of Fred M. Vinson, first as Director of the Office of War Mobilization & Reconversion, the first since Truman became President, and the first since V-E Day. Home-front activities have been charted quarterly since James F. Byrnes' first report in January.

Vinson's report will spell out a more liberal wage policy to compensate workers for war production cutbacks and loss of overtime pay, endorse and urge enactment by Congress of the broader unemployment compensation system as proposed by Truman (BW-May 26 '45), go into plans for maintaining employment after V-J Day, and possibly lay groundwork for a postwar agriculture program.

Truman's plans for reconversion of government itself will be presented in considerable detail on how and why it should be done—in an effort to persuade Congress to give him a fairly free hand.

PROGRAMING

WPB has decided to put civilian industry on a sink-or-swim basis in the fourth quarter of this year.

It will stop programing of practically all civilian hard goods after the third quarter, trusting that military cutbacks will free so much metal that potential civilian producers will be able to get what they need.

Programing of civilian items will continue in some chemical lines and in textiles. Programing for munitions will go on, at least through the fourth quarter.

GILLETTE TO AGRICULTURE?

Guy M. Gillette's resignation as chairman of the Surplus Property Board had Washington guessing this week, both regarding the former Iowa senator's next move and his successor on the board.

A report that President Truman would appoint Thurman Arnold, ram-panant head of the Justice Dept.'s Antitrust Division before he was moved to the federal bench in 1943, was met incredulously. Given much credence at midweek was a report from White House precincts that a businessman, W. S. Symington, president of

Emerson Electric Mfg. Co., St. Louis, would be named surplus property chairman.

Gillette quit the property board because he was scared of the job. He doesn't want a judgeship because he hasn't used his law for years. His friends expect that he will wind up in the Agriculture Dept., very likely as head of the Rural Electrification Administration if the Senate balks at shifting Secretary of Agriculture Claude Wickard into that job.

TRUMAN STRATEGY

President Truman's request for early House consideration of legislation establishing a permanent Fair Employment Practices Committee was in reality a strategic move to obtain funds to continue for another year the temporary committee created by Roosevelt's executive order in June, 1941.

Truman knows that even if the House voted the permanent committee bill before July, a filibuster by southern senators would delay its enactment indefinitely. The same senators would find their position more endurable if the temporary committee continued in operation during the critical period of transition from war to peacetime employment. For this reason they are not likely to cut off the committee without funds.

House members, too, who oppose creation of a permanent committee, may vote funds for the temporary agency to avoid a final showdown on the permanent bill.

Truman's blunt request for speedy vote on the permanent bill is another

example of his scheme of dealing with Congress: ask for everything so there will be room to compromise later, if necessary.

BAR TO UPGRADING

At the request of Price Administrator Chester Bowles, the Senate Banking Committee has recommended that Congress drop its ban against OPA's use of government A-B-C grades in pricing canned fruits and vegetables. This ban was tacked onto OPA's appropriations act last year (BW-Jul. 1 '44, p. 15).

Contrary to Bowles' testimony before the committee, other OPA officials think that inability to use government grades didn't interfere with effective pricing of the 1944 pack. Upgrading, which was expected to result from the use of commercial grades, hasn't been noticeable. OPA apparently has no plans to use government grades on the '45 pack, even if Congress clears the way.

Pricing of the 1945 pack is stymied in the Office of Economic Stabilization however. Some months ago, OPA told OES that canners' profits should enable them to absorb increases in labor and raw material costs. A few weeks ago, OPA reversed itself, but OES is now sold on the idea of cost-absorption and is balking at higher prices.

PATENT CONTEST FOR TEXAN?

Resignation of Conway P. Coe as commissioner of patents effective June 15, forecast a month ago (BW-May 5 '45, p. 7), has created a wide open field for willing candidates.

Those who have indicated their willingness to serve if President Truman beckons include: Leslie Frazer, first assistant commissioner; Assistant Commissioner Condor C. Henry; Maj. Roy C. Hackley, Jr., of San Francisco, patent attorney on loan from the War Dept. to the Dept. of Justice; and Lawrence C. Kingsland, St. Louis patent lawyer.

Also mentioned, though not announced as a candidate is W. Houston Kenyon, Jr., of the New York patent law firm of Kenyon & Kenyon, who is serving in the War Dept. and is presently on loan to Commerce Secretary Henry Wallace's patent committee (BW-May 5 '45, p. 7).

Wallace has requested this committee to recommend a successor to Coe, but it is possible that Truman may pick a politician—Rep. Fritz Lanham

Paper is a number 1 war material shortage—because over 700,000 different war items are wrapped, packaged, labeled, tagged, or made from paper or container board. The Pacific war will require stupendous amounts of it. So please do this extra bit to speed victory:

(1) Share this magazine with your associates. Because of the paper shortage, the number of copies is limited.

(2) Organize for a continuous drive in your office and plant to collect waste paper of any kind to put into paper salvage.



DURAMOLD COOKS A GLASS SANDWICH

For nearly ten years, wood veneers have been molded into complex curves for airplane parts by Duramold. Today, through the research and ingenuity of Fairchild engineers even a fiber glass sandwich can be molded by this same Duramold technique.

Virtually any low-density material can be given strength and stiffness and molded into an amazing variety of shapes and sizes to meet the most complex specifications. Duramold speeds this production by electronic processing—a method for curing plastic-bonded parts developed by Fairchild engineers.

For example, Duramold takes layer after layer of cloth woven from glass fibers, impregnates them with thermo-setting resins, and applying those layers to low-density synthetic core material, lighter than balsa, applies heat and pressure to fuse this multi-layer sandwich into strong, light, sharply curved components for our big bombers.

The uses of Duramold in wartime production are startling enough. But Duramold's possibilities for peacetime commercial applications dwarf them. For in developing the Duramold process, Fairchild research and engineering, as to all Fairchild products, has lent "the touch of tomorrow" to the products of today.

DURAMOLD...FOR YOU

In the future, Duramold will bring you many products for better living. Durability, beauty and extreme lightness will characterize the materials molded and bonded by the Duramold process.

In developing Duramold, whose technique changes the shape and characteristics of materials long known to man, Fairchild engineers have also made it possible to change "the shape of things to come" for the better.



BUY U. S. WAR BONDS AND STAMPS

ENGINE AND AIRPLANE CORPORATION
30 ROCKEFELLER PLAZA, NEW YORK 20, N. Y.

Ranger Aircraft Engines Division, Farmingdale, L. I.

Subsidiary: Al-Fin Corporation, New York, N. Y.

Fairchild Aircraft Division, Hagerstown, Md.

Duramold Division, Jamestown, N. Y.

Affiliate: Stratos Corporation, New York, N. Y.

Texas, for instance. Lanham is a member of the House Patents Committee and friends say he'd like to retire from Congress.

TOBACCO FOR BRITAIN

The Commodity Credit Corp. will continue for another year to finance purchase of flue-cured tobacco for British civilians. Since 1939, the CCC has been buying the portion of the cured crop that normally is exported to Great Britain, and shipping it under lend-lease. Recently the quantity lend-leased has been limited to the amount consumed by British-

military services, and the remainder (about two-thirds of the total) has been sold for cash.

Ultimately—possibly next year—the CCC hopes that Britain itself will finance the purchases for export, particularly the quantity consumed by British civilians.

OES ROLE SHRINKING

President Truman's incoming Secretary of Agriculture, Clinton S. Anderson, is expected to take much authority over food pricing out of the hands of Economic Stabilization Director William H. Davis. While OPA will con-

tinue to exercise day-to-day control over food price control and rationing, Anderson is expected to call the signals on pricing when production of farm products is directly affected. The role of OES, which has umpired OPA-War Food Administration disputes, will gradually dwindle.

Anderson probably will take his time about merging the Agriculture Dept. and WFA. A good bet is that he will bring in J. B. Hutson, former head of the Commodity Credit Corp. and now a special assistant to War Mobilization Director Fred Vinson, as Under Secretary of Agriculture with direct charge of some of the war programs now lodged in WFA. Hutson would replace Grover

OPA May Tackle Land and Security Prices

Even when the Congressional storm over continuation of price and wage controls blows over, stabilization officials are due for trouble from another quarter. For months, they have seen an inflation danger signal in the rapid rise of capital asset values, particularly land and securities, the one section of the economy not subject to direct control.

The whole program is hanging fire at the present, but officials think they will have to force the issue with Congress sooner or later—if for no other reason than to pass on the responsibility, because there's small chance that Congress will put on the brakes.

• **Would Rely on Taxes**—The Office of Economic Stabilization began work on the problem when Fred M. Vinson, now War Mobilizer, was still director. It finally put together a program based on three main points:

(1) Revise the capital gains tax so that almost all the profit in quick turnovers of capital assets would be taxed away.

(2) Establish credit controls for real estate sales, somewhat along the lines of the present control of retail credit.

(3) Tighten up margin requirements for purchase of securities.

Main spring of this program would be the change in the capital gains tax. The other two measures would affect only credit transactions, and the present boom in capital assets

is running on a cash-on-the-barrel-head basis.

• **Treasury Reluctant**—To change the capital gains tax would take legislation. That's the hitch. Chairman Robert L. Doughton of the House Ways & Means Committee has put a serious crimp in the plan by telling Vinson and Treasury Under Secretary Daniel W. Bell that any substantial rate increase is out, and that even the possibility of lengthening the holding period is doubtful. Doughton's advice was underlined by the cool reception that the Senate Banking Committee gave Federal Reserve Chairman Marriner S. Eccles when he proposed a wartime penalty tax on capital gains.

The treasury, which took a pummeling from Congress on its wartime tax program, isn't looking for another fight, particularly when congressmen are thinking about lowering taxes.

• **OPA Wins Over Critic**—OPA's prospects for getting a one-year extension of the price-wage stabilization law, with no ham-stringing amendments, now look pretty good. With time running short (the law expires June 30) and with OPA under a heavy fire of criticism, Democratic leaders had feared they might have to fall back on a six-months' continuing resolution (BW—May 26'45, p7).

Now, however, OPA's testimony has been received favorably by the House Banking Committee, where

even Rep. Fred L. Crawford, Michigan Republican and outspoken critic of OPA, has gone on record for a one-year extension.

On the other side of Capitol Hill, the Senate Banking Committee has filed a formal report which recommends no amendments, although it has written into the record sundry admonitions regarding administration of price control. Specifically, the committee has laid down the law on cotton textile pricing in language strong enough to keep OPA from further tampering (BW—Jun. 2'45, p19).

• **Floor Fight Coming**—The real fight on OPA is shaping up on the Senate floor where Sen. Robert A. Taft and Sen. Elmer Thomas are pressing far-reaching amendments to the law. The Taft amendment would block OPA cost-absorption policies by requiring OPA to maintain 1941 dollar margins over "total costs" (including overhead, sales, and advertising expenses). The Thomas amendment would guarantee total costs, plus a "reasonable profit," to every processor of agricultural commodities.

So far, Taft and Thomas have made less headway than expected, although Thomas was seeking to make capital out of a plea from Bowles to call off his fight, asserting that the administrator had promised to do by executive order even more than the Thomas amendment would direct.

POPULAR



Getting workers to wear safety equipment is a constant problem, especially on "semi-hazardous" jobs such as light grinding, woodworking and spot welding. The Willson plastic Protecto-Shield meets this problem because it is so comfortable that no worker is tempted to discard it when it should be worn.

COMFORTABLE



The outstanding comfort of the Protecto-Shield is the result of Willson pioneering in the field of accident prevention. Years of intensive research into worker-reaction to safety devices have brought about the development of the many comfort features now embodied in the lightweight Protecto-Shield.

PRACTICAL



Exclusive "Slot-Lock" holds visor securely in place. Day-long safety is assured. Covering eyes, face and forehead, the Protecto-Shield provides a practical means of preventing costly eye and face injuries.



For help on eye protection problems, consult your Willson Distributor or write for information to Dept. BW-10.

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Hill who is following his chief, War Food Administrator Marvin Jones into retirement.

BUSINESS AS USUAL

About a dozen new antitrust suits are hatching in the Dept. of Justice. Wendell Berge, chief of the Antitrust Division, and his staff will carry on until they find out whether Tom C. Clark, new Attorney General, will support their vigorous policy. They are dubious because Clark's previous record indicates a "safe-and-sure" attitude (BW—May 26 '45, p. 5).

When Judge Thurman Arnold was head of the Antitrust Division, he brought Clark into the department. Arnold has told his former associates to give Clark a chance, assuring them that he will "holler" with them if Clark sits on the lid.

PULL FOR FPC POST

Natural gas interests are pulling strings to name their own man to the Federal Power Commission to replace John W. Scott, who retired to go into Washington (D. C.) law practice with William M. Boyle, Jr., assistant to Robert Hannegan, Democratic National Committee chairman in the last campaign.

The gas and oil industries are disturbed by FPC's pending investigation looking toward greater regulation of their business (BW—May 5 '45, p. 46). Gas interests are strongly behind Kansas' Gov. Andrew F. Schoeppel, chairman of the interstate oil compact commission, but he's likely to push somebody else.

Roger B. McWhorter, FPC's chief engineer, will get the appointment if it's filled from the ranks.

DECK CLEARED FOR WHEAT

Officials in the Office of Defense Transportation and War Food Administration are hopeful that this year's wheat crop can be handled expeditiously, and that little grain will be lost because of having to pile it in the open while waiting for rail cars.

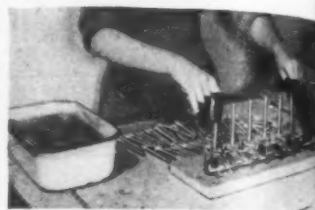
The critical area is Kansas, where last year's wheat still is backed up in elevators. To empty as much space as possible before next month's harvest, wheat is being moved out as fast as cars can be unloaded in marketing centers.

In Oklahoma and Texas the situation is easier. While some counties may have to store wheat in adjoining counties, statewide, storage space seems adequate.

—Business Week's
Washington Bureau

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THE OUTLOOK

BUSINESS WEEK

NOVEMBER 9, 1945



Forecasts of more seasonable crop weather at midweek brought the first encouragement on the food production front in more than a month.

Miserably cold, wet weather all the way from the Great Plains to New England had begun to make it seem—as many in Washington had prophesied—that our exceptional luck of the last few years had run out. In fact, aside from the big winter wheat crop, conditions were the worst in years.

Planting was late, seed wasn't germinating, much fruit blossom had been nipped across the northern tier of states. The climax came with this week's frosts that killed much truck in the upper Lakes region.

Favorable weather is imperative from now on if this country is to approach the huge food output records of the last three seasons.

Official estimates on food for civilians this year—allowing for normal crop weather—run 5% to 7% below 1944.

And this is just over-all calorie-count, not what taste buds crave.

In present circumstances, a short corn crop would be a calamity. On Monday and Tuesday, that didn't look improbable and it's still possible.

On the corn harvest hangs the outlook for meat, poultry, and milk. Too little corn this fall will mean too much slaughtering next winter—and a meat pinch that probably would run clear into 1947.

Prospects for major crops at the moment may be summarized about as follows:

Drought has parched **ranges** and done some crop damage in the Southwest, and dry weather may mean a near failure for Florida's next **citrus** crop.

Wheat promises to top the billion-bushel mark for the third time in history, might break the 1915 and 1944 records.

Corn planting, despite bad weather, is ahead of last year's late start—and 1944 broke all records at 3,258,000,000 bu. However, midsummer drought or early autumn frosts could ruin the crop.

Canning **truck** is late, hence probably will not be top quality—and might run disturbingly short in quantity in the light of present high demand.

We have largely passed through one important phase of reconversion—the "evaporation" phase—without most people realizing it.

War output fell about 14% from its November, 1943, peak to V-E Day.

This resulted more from paring of schedules to levels possible of achievement than from formal cutbacks. Be that as it may, the drop of 14% is pretty substantial.

Yet it freed no manpower or materials for civilian production. That's why it may be regarded as the evaporation phase of reconversion.

This stage had to be completed before tackling real reconversion.

Evaporation of manpower over the last 18 months is easier to trace than is the disappearance of raw materials such as steel and other metals.

The armed services have been adding to total strength until very recently. Moreover, labor-short industries certainly have gained to some extent from the net decline of more than a million in munitions employment. A few "emergency" workers—youngsters, oldsters, women—may have stopped work.

Unfortunately for reconversion, this evaporation is not quite over. More

THE OUTLOOK (Continued)

BUSINESS WEEK

JUNE 9, 1945

will result from the return to the 40-hr. week. More emergency workers will quit the labor force. Some people will just "go fishing."

But, increasingly, there will be a net reduction in the armed forces. And, by the year end, more than 3,000,000 war jobs will be eliminated.

Several possible explanations for evaporation of metals during the initial 14% cut in war production may be advanced.

Take steel, for example. There has been a decline in the rate of operations which slightly more than offsets the gain in capacity. This is natural in view of the fatigue factor—for both men and machines—and of the tendency to retire high-cost, obsolescent facilities.

Then, too, steel products have been diverted as available from munitions to "war-supporting" industries like transportation and farming.

Thanks to the fact that business has undergone a shaking-down process since November, 1943, it is not likely that further evaporation of men and materials will seriously retard reconversion over the second half of this year.

In fact, there are evidences that unemployment—long well below what many economists thought was the barest minimum of about 1,000,000—began to rise ever so gradually after the middle of April.

Slowness in reconversion might quite conceivably turn labor shortages and metal scarcities into surpluses by early autumn.

The ultimate outlook for employment—and unemployment—hinges on how many of the present "emergency" workers decide to stay in the labor force.

Today's labor force (including the military) is 10,000,000 to 11,000,000 larger than the 53,000,000 recorded in the 1940 census. Unemployment, meanwhile, is down from perhaps 8,000,000 to less than 1,000,000.

The 7,000,000 emergency workers probably consist of 3,500,000 youngsters, 1,800,000 married women, 500,000 who are 65 and older, and 1,200,000 marginal.

It is assumed that many of the youngsters will go back to school and that most of the oldsters will retire. There is more argument about how many women—other than service men's wives—and marginal workers will give up their war-won advantages.

Just as the volume of unemployment will be determined by how many of these workers undertake to hold jobs, the amount of joblessness will help them to make their decisions about the desirability of remaining at work.

Changes just announced in tin quotas mean simply: You don't get much of this most critical of all industrial metals for reconversion.

WPB is switching the base period for quotas. Now percentages will be applied to the comparable quarter's use in 1944 instead of 1940. The joker is that 1940 was a year of large use whereas 1944 was strictly rationed.

Ingenuity is required particularly of the automobile people (BW—May 19'45, p10) who put about 6 lb. of tin into the average prewar model. Standard practice, for example, has been to solder-dip each radiator; silver solder or welding would be expensive but perhaps not prohibitive if worst came to worst.

Fortunately, most types of antifriction bearings can be made without tin.

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21
20
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18
17
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FIGURES OF THE WEEK

THE INDEX (see chart below).

\$ Latest Week	Preceding Week	Month Ago	6 Months Ago	Year Ago
*233.5	†234.4	236.5	230.7	235.7

PRODUCTION

Steel Ingot Operations (% of capacity).....	91.1	91.0	95.1	96.0	97.8
Production of Automobiles and Trucks.....	18,100	21,010	20,470	19,180	16,950
Engineering Const. Awards (Eng. News-Rec. 4-week daily av. in thousands)....	\$5,839	\$5,654	\$5,826	\$4,638	\$5,258
Electric Power Output (million kilowatt-hours).....	4,204	4,330	4,397	4,524	4,144
Crude Oil (daily average, 1,000 bbls.).....	4,859	4,867	4,829	4,713	4,523
Bituminous Coal (daily average, 1,000 tons).....	1,969	1,893	2,040	2,042	2,048

TRADE

Miscellaneous and L.C.L. Carloadings (daily average, 1,000 cars).....	86	86	88	84	82
All Other Carloadings (daily average, 1,000 cars).....	62	59	62	55	63
Money in Circulation (Wednesday series, millions).....	\$26,500	\$26,399	\$26,204	\$24,997	\$22,112
Department Store Sales (change from same week of preceding year).....	+9%	+1%	+10%	+17%	+11%
Business Failures (Dun & Bradstreet, number).....	13	12	23	26	22

PRICES (Average for the week)

Spot Commodity Index (Moody's, Dec. 31, 1931=100).....	257.2	257.3	256.9	248.9	250.8
Industrial Raw Materials (U. S. Bureau of Labor Statistics, Aug., 1939=100)...	166.3	166.3	166.5	165.2	164.6
Domestic Farm Products (U. S. Bureau of Labor Statistics, Aug., 1939=100)...	228.2	228.5	227.9	221.3	224.9
Finished Steel Composite (Steel, ton).....	\$58.27	\$58.27	\$57.55	\$56.73	\$56.73
Scrap Steel Composite (Iron Age, ton).....	\$18.92	\$18.92	\$19.17	\$18.67	\$19.17
Copper (electrolytic, Connecticut Valley, lb.).....	12.00¢	12.00¢	12.00¢	12.00¢	12.00¢
Wheat (Kansas City, bu.).....	\$1.67	\$1.66	\$1.67	\$1.59	\$1.67
Sugar (raw, delivered New York, lb.).....	3.75¢	3.75¢	3.75¢	3.75¢	3.74¢
Cotton (middling, ten designated markets, lb.).....	22.71¢	22.73¢	22.51¢	21.43¢	21.27¢
Wool Tops (New York, lb.).....	\$1.330	\$1.330	\$1.340	\$1.340	\$1.346
Rubber (ribbed smoked sheets, New York, lb.).....	22.50¢	22.50¢	22.50¢	22.50¢	22.50¢

FINANCE

90 Stocks, Price Index (Standard & Poor's Corp.).....	119.3	118.3	118.4	102.3	97.6
Medium Grade Corporate Bond Yield (30 Baa issues, Moody's).....	3.31%	3.31%	3.33%	3.50%	3.60%
High Grade Corporate Bond Yield (30 Aaa issues, Moody's).....	2.62%	2.62%	2.61%	2.71%	2.73%
Call Loans Renewal Rate, N. Y. Stock Exchange (daily average).....	1.00%	1.00%	1.00%	1.00%	1.00%
Prime Commercial Paper, 4-to-6 months, N. Y. City (prevailing rate).....	1%	1%	1%	1%	1%

BANKING (Millions of dollars)

Demand Deposits Adjusted, reporting member banks.....	40,378	40,516	39,147	38,539	36,208
Total Loans and Investments, reporting member banks.....	57,541	57,482	57,176	55,093	49,988
Commercial and Agricultural Loans, reporting member banks.....	5,765	5,790	5,904	6,274	5,846
Securities Loans, reporting member banks.....	3,309	3,221	2,882	2,954	1,781
U. S. Gov't and Gov't Guaranteed Obligations Held, reporting member banks..	42,842	42,897	42,844	40,514	37,029
Other Securities Held, reporting member banks.....	3,063	3,039	3,016	2,914	2,878
Excess Reserves, all member banks (Wednesday series).....	1,100	900	900	1,205	711
Total Federal Reserve Credit Outstanding (Wednesday series).....	22,258	21,980	21,406	19,520	14,759

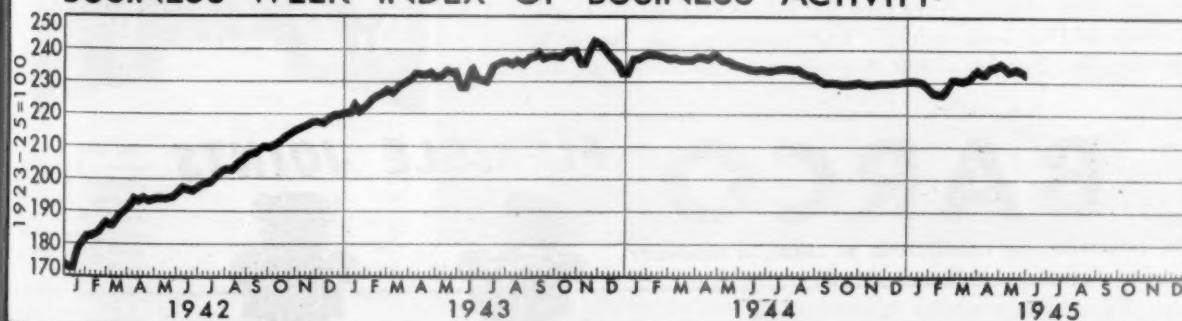
* Preliminary, week ended June 2nd.

† Revised.

‡ Ceiling fixed by government.

§ Date for "Latest Week" on each series on request.

BUSINESS WEEK INDEX OF BUSINESS ACTIVITY





Feed lines which carry the essential fluids of industry need constant protection against those "traffic interrupters"—vibration and shock. Barco Flexible Joints provide such protection by compensating for contraction and expansion with responsive movement in every direction. For over 30 years they have been the accepted standard in every field of both industry and transportation. Barco Manufacturing Co., Not Inc., 1830 Winnemac Ave., Chicago 40, Illinois.

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BARCO

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"MOVE IN

EVERY

DIRECTION"



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Buffalo: Reemployment Preview

Currently, layoff of aircraft workers benefits civilian services, while manpower shortages continue to plague heavy industries. City counts on expanded business to take up all peacetime slack.

In November, 1942, Buffalo—one of the country's great aircraft-producing centers that mushroomed with war demand—got star billing in the War Manpower Commission's first list of areas suffering from an acute labor shortage. As a Group I area ever since, Buffalo has continuously wrestled with the problem of manpower.

Last week, with 10,000 of its 54,000 aircraft workers now laid off as a result of aircraft cutbacks, that problem threatened to go into reverse.

• **"Shrinking Pains" Absent**—The specter of cutbacks and consequent unemployment has haunted all the big plane centers since war began. The city fathers in San Diego, Los Angeles, Detroit, Wichita, and elsewhere are well aware that peacetime aircraft production, in the opinion of the now-defunct National Resources Planning Board, is not likely to require more than 3.7% of existing facilities or manpower.

But Buffalo is looking the specter in the eye right now and not showing any particular fright. The city is counting on the peacetime expansion programs of its many diversified industries to absorb all of its resident labor surplus. During the transition period there may be dislocations, but thus far the release of aircraft workers hasn't been sufficient even to meet the demands of other essential industry. As a matter of fact, many of the townsfolk are waiting anxiously for more cutbacks and more layoffs that will put more clerks behind the sales counters, more waitresses in the restaurants, and more typists at office desks.

• **Workers Were Doubled**—In its big war production effort, Buffalo accounted for the astounding total of \$6,500,000,000 in planes, according to the Chamber of Commerce. To man all its war plants, the city had to increase its work force in manufacturing by almost 100%—up from 138,000 to 256,000. It recruited a good deal of the additional labor right on the Niagara frontier, bringing into the area only 70,000 outside workers. The latter served to offset the 70,000 men drafted out of the area into military service.

Thanks to strenuous recruiting, 51% of all employable women between 14

and 65 were at work in Buffalo war plants at the peak of production.

• **Civilian Services Hard Hit**—But the manning was done at a terrific cost to civilian service and distribution personnel. Employment under WMC rules was rigidly controlled, and as service employees left jobs for higher paid war work, employers couldn't get replacements. Some civilian services went out of business. Many more struggled on with no pretense of business as usual. Ruefully they remarked that here at last was full employment—"and how do you like it?"

When, a year ago, retiring Secretary of Labor Frances Perkins arrived to be an honored guest and speaker at a banquet of government agency representatives, she had to carry her own heavy suitcase into the lobby of Buffalo's leading hotel.

Although the few remaining drivers were able to clear \$2 an hour without difficulty, taxicabs were standing idle for want of men to operate them. Laundries were desperate, and so were their customers. Haircuts, beauty

shop treatments, and even the lowly shoeshine were luxuries—maybe you could get them, most often not.

• **Heavy Industry Suffers**—But not only were service and distribution fields a problem: Buffalo's important heavy industries had many unfilled jobs, in railroad yards, foundries, steel mills, and other plants lacking the glamor and higher base pay of the aircraft industry.

Despite last week's layoff of 5,000 men, following an earlier slash of another 5,000, Buffalo's heavy industries still are 3,200 men short of full employment. That's why no one is worrying much—yet—about the specter of unemployment.

Railroads now have been given a "must" rating. They are getting some of the men being laid off. Others are going to top urgency plants such as Worthington Pump & Machinery Corp. which is making Navy equipment.

• **Women First**—But, so far, one thing is keeping the man-short plants from getting much help: First layoffs have been very largely of women. For the first time in almost five years Buffalo has a surplus of women labor—and that's how the stores, restaurants, and the offices have benefited. In going back to those old jobs, the displaced women aircraft workers turned their backs on WMC "recruiting" drives for war plant workers in Elmira, James-



Mass lay-offs in Buffalo, incident to aircraft cancellations, boomed business in the local state placement and unemployment insurance offices. The rush was short-lived; only 1,600 new claims were handled. Most of the jobless apparently are preferring to rest awhile and wait for "something to turn up."



Bell Aircraft's Buffalo plant, now in the throes of sharp cutbacks, is pinning its hope for operations on the helicopter, produced commercially.

town, and nearby Rochester. Many more women are slated to go, and know it. As a result, there's a movement among them to get other jobs while they can. No effort is being made to stop them.

• **Job Plans Prepared**—Later, more aircraft cutbacks will come, along with reductions in other production. Buffalo thinks it can absorb displaced workers in these, too.

Its Erie County Committee for Economic Development has nearly complete plans in its files on how this can be done. The committee has discovered that plans are progressing for general employment at an all-time high peacetime level.

• **New Products Ready**—For example, the Hewitt Rubber Corp., now making self-sealing aircraft gasoline tanks in two plants, probably will drop to one plant, but will maintain its war-expanded employment through development of foreign outlets and new products.

A war subcontractor, the Trico Products Corp., has a large backlog of auto accessories orders it wants to begin filling.

Another war plant, the Durez Plastics & Chemicals, Inc., has a \$2,000,000 expansion program awaiting release of materials.

The Anchor Products Corp., a small plant which has been making concrete beams and slabs for the government, is going to spend \$200,000 to put into production the result of wartime research—a new type of lightweight tile.

• **Optimistic for Future**—Bethlehem Steel Corp. is planning a \$20,000,000 expansion at Buffalo within one year

after the war ends. Republic Steel also plans expansion of facilities.

A number of manufacturers are negotiating for aircraft plants now owned by the Defense Plant Corp. and operated by Bell Aircraft, Curtiss-Wright, and a number of subcontractors.

Thus substantial basis for optimism over postwar employment seems to exist, even without taking into consideration millions of dollars earmarked by state and county governments for public works which have been at a standstill for more than four years.

• **WMC Lends a Hand**—WMC is backing civic planners in their drive to get the new plants operating. Buffalo area Director Joseph Canty is permitting prospective new producers to place makeready crews in any plants provided the crews of skilled workers are sent in to the area from outside. When operations are set to begin Canty's rule is:

(1) If labor is available within the area, it can be referred to the new plant by the U. S. Employment Service.

(2) If there is no surplus of the required types of workers, the employer will be permitted to recruit them where they are available, and send them in.

• **Shorter Work Week**—WMC is considering the problem of revoking other controls, including the present mandatory 48-hour week for war plants. Management wants the 48-hour requirement removed, and also would like the lifting of employment ceilings and the right to hire workers on an at-the-gate basis, as needed.

Labor is against shortening the work week unless wages are maintained at the 48-hour take-home level.

Eventually, it is generally conceded, the 40-hour week will be authorized, whether or not pay adjustments are provided. Main drawback still is shortage of workers in heavy industries. There is no inclination to give in to pressure for eased controls unless the heavy industries are able to maintain necessary high production.

This week Buffalo's situation still was in a state of flux. Orders and instructions were being received from Washington, and adjustments were being made. The general picture was:

• **Bell Aircraft**—This company's employment, at a peak of 34,000 in June, 1943, had been reduced by controlled hiring and voluntarily quits by mid May to 14,000. Last week cancellations of orders forced 4,000 immediate lay-offs. By July 2,000 more are scheduled to leave, and by September an additional 2,000 will be out, completing a cutback to 6,000 workers. After that Bell's employment picture is anyone's guess. The firm is relying in part on production of helicopters to keep it operating. Its disadvantage is that it

has never been in civilian production, and it will be blazing a trail in a new aircraft field.

• **General Motors**—The Chevrolet plant has been turning out Pratt & Whitney aircraft engines. Prior to the war, while in automotive production, the plant normally had 6,400 employees. At peak war production it had 17,000 in an expanded plant. Now it employs 10,000—but 1,000 are being released. Since seniority will control the order of lay-offs, almost all of those displaced will be women workers.

• **Curtiss-Wright**—This concern is the area's largest employer, but it hasn't yet been badly hit. Cutbacks at the Buffalo plants have been offset by orders

Cutback Consequences

Last week's 17,000-plane cutback means that 25% of the industry's labor force will be subject to layoff. Hardest hit of the aircraft centers will be those in non-industrial areas. Some 40% of the industry falls into this category: most of the Midwest, the Southeast, and part of the West. Saving feature is that a good part of the industry in these areas is devoted to production of the B-29 Superfortresses, not yet cut back.

• On the Pacific coast, first cutbacks are expected to cost over 14,000 jobs in the next two months. Lockheed appeared hardest hit, with Consolidated-Vultee's Downey plant suffering less. Douglas Aircraft found a 50% cut in B-17's offset by larger orders for C-74 transports and A-26 fighter planes. North American Aviation at Inglewood and Northrop at Hawthorne escaped cutbacks.

• Nationally, the cutbacks are expected to cost industry \$3,500,000,000 of a \$20,000,000,000 yearly rate.

General industry, anxiously awaiting skilled labor and more materials, particularly small electric motors, sees many reconversion difficulties eased. Lack of small motors (200 are needed for each heavy bomber) has been a serious drawback so far.

• Labor, however, is distinctly worried. For individual workers the prospect is less take-home pay, for union leadership it is dwindling membership in C.I.O.'s Auto Workers and A.F.L.'s Machinists. There were only 64,000 workers in the whole aircraft industry in 1939; employment in March, 1945, was 1,643,000.

production, in a new let plant Whitney car, while the plant es. At 7,000 in employs released, order of is placed

ture of Curtiss-Wright's Buffalo fa- is in the lap of the gods, and ability to produce transport planes (a of the current C-46 Com-) profitably in a competitive mar- Curtiss-Wright isn't harboring any that production of that one el plane, will keep all its current force in the plant. A \$4,000,000 ch laboratory, however, is seeking elds for Curtiss-Wright.

ES Offices Busy—While Bell had A.W. labor protests over layoffs omet (also U.A.W.), and Curtiss- ht (I.A.M.) were encountering lit- more than ordinary grievances in ing their adjustments. Generally, uncertain future is obvious to all ft workers.

With the Bell layoff, business at S offices picked up. Last week it essed 3,900 requests for referrals bs. At the same time, the Buffalo e of the New York State Division Placement & Unemployment In- ce handled only 1,600 new s for jobless benefits. Other laid- orkers apparently preferred to rest ic, knowing that when funds run they still can claim unemployment pensation from the state until they placed in jobs.

opping for Jobs—That is a rather eral attitude. A salesman, turned plant expediter, balks at going into b in heavy industry. He knows ES probably would refer him there, e shops around on his own. A ould rather take her former store nter job than go through the red e of USES and the unemployment pensation office.

o the stores, the offices, the hotels benefiting. But they want even e help. Help Wanted signs are ed conspicuously in shop windows, a cemetery entrance, on transit sys- buses and streetcars, even on office dows. Newspaper classified Help nted columns are booming (one falo newspaper ran 408 on a quiet nday).

What does it all mean to a con- her? A "thank you" from a store k when he buys, and the cheering wledge that a Buffalo hotel fired ee maids for incompetence.

Geneva's Future

Partial shutdown of Utah steel plant doesn't mean that peacetime operation is doomed. Fontana's outlook brightens.

Geneva Steel Co.'s postwar prospects are not to be discounted because its structural mill has closed down for lack of war business, and its plate mill seems destined to do likewise by August or September. Such shutdowns are a necessary preliminary to putting Geneva on a peacetime operating basis. Until its war job is done, the plant can't be listed as surplus and advertised for bids by the Defense Plant Corp.

Henry J. Kaiser's plant at Fontana, Calif., the West's other big new steel project, also appears likely to suspend operations in the third quarter because of dwindling backlogs.

• **Justification Claimed**—Neither plant, built to meet wartime needs for steel, particularly plate for ships, can be classed with Ford's Willow Run bomber plant as one of the white elephants of the war. Each of them claims a basic economic reason for postwar existence, and the very fact that they exist is the best argument in favor of their operation in peacetime.

Although almost any of the major steel companies, convinced of the utility of the efficient Geneva plant, would be willing to take over the \$200,000,000 project near Provo, Utah, if it could be obtained from DPC at a reasonable markdown, only three companies thus far have indicated an intention to bid for it—Kaiser's Fontana Steel, Colorado Fuel & Iron Corp., and U.S. Steel

Corp. Because Big Steel has been operating the plant, it is figured to have the inside track (BW—May 26 '45, p19).

There will have to be a write-down, for Geneva was a high-cost construction job. Also, Geneva needs additional and more diversified rolling mill facilities to enable it to turn out peacetime products, and any purchaser must take this into account in the price he pays.

• **Tax Concessions**—Just how anxious the West is to retain Geneva is indicated in the action of county authorities in reducing the assessed valuation of the plant for tax purposes 50% from \$21,567,548 to \$10,295,367, making immediate full allowance for depreciation. The result is that potential buyers are given a dependable figure on which to estimate future taxes.

As its contribution, the Utah state government has dropped a proposal for a severance tax which would have cost the plant 20¢ for every ton of steel produced.

• **Means Rate Fight**—Whoever gets Geneva will push hard for lower freight rates to get its wares to West Coast markets at costs competitive with those of steel products shipped at the vastly lower water rates from eastern plants; thus Bethlehem Steel Corp., shipping from its tidewater plant at Sparrows Point, Md., has a particular advantage in tapping West Coast trade.

Geneva has had some "duration" reductions, such as the cut from \$12 to \$8 per ton on finished steel products to Los Angeles and San Francisco. It is believed that if a \$6 rate were made available, its basic problem would be solved.

Geneva officials say that they are not worried about such reduced rates being available also to other western and middle western competitors. They say that



Hard-pressed Buffalo tastes the fruit of new unemployment and finds it sweet.



JUST A SAMPLE

Resplendent in shining front-end grill-work, Ford's first postwar passenger car (above) made its initial appearance this week—an appearance undoubtedly timed to whet pent-up demands for automobiles. Assembly line production is expected to start within 90 days. The company hopes, sometime in the fourth quarter, to get up to 600 to 700 units daily—but warns that it will be a long time before the average motorist may be able to buy one. Dealers, promised 100 improvements in the 1946 Ford, are reported nodding approval of the two-tone doors (left), and restyled dashboard.

they can take care of any ensuing competition, if they get the lower rate.

• **Kaiser Gets Help, Too**—Because it is more nearly a completely integrated mill, Geneva is in somewhat better position than Fontana. But Kaiser has the same kind of West Coast backing for continued operation of Fontana as has Geneva.

Recently 23 members of California's congressional delegation petitioned John Snyder, administrator of the Federal Loan Agency, and Sam Husbands, director of the Reconstruction Finance Corp., to grant an equitable financing arrangement to Kaiser. Shortly afterward, Kaiser announced that "satisfactory" terms had been granted by RFC in adjustment of his indebtedness for the plant.

The Fontana plant was not financed by DPC but by Kaiser on a direct loan

from the parent lending agency; thus there is no possibility of the plant's being offered to other operators, unless RFC should foreclose on the loan, which originally totaled \$111,000,000 but has been reduced by about \$27,000,000 by payments on the principal.

Kaiser reportedly has applied profits from his shipbuilding enterprises to reduction of the loan. It is presumed that the "satisfactory" terms mentioned by Kaiser will permit him to continue this practice, thereby easing his renegotiation and income tax liabilities markedly.

• **Equipment Needed**—Even more than at Geneva, added facilities are needed at Fontana. These include equipment for making tin plate, light sheet metal, and pipe, plus other improvements essential to reducing operating costs in a competitive peacetime market. Bank of America is understood to be ready to supply

much of the \$52,000,000 which needs.

Initial conversion steps already under way. Fontana's 56-in. rolling and plate mill will be altered to in. and thinner sheet for civilian products. A building and blowers will be stalled to salvage furnace gas, and several million gallons of fuel oil are being used. This \$1,500,000 job will be privately financed.

The fate of Fontana depends, of course, on the attitude of the big established steel makers who have long served the West Coast whether they are willing to take a loss and how big a loss for how long, and how undersell Fontana and keep that market.

Meat for Home

New basis for rationing public eating places will be next move in effort to increase supply for housewives.

While housewives all over the country scrambled for enough salt pork or ox tails to feed their families, and victims in a Maryland prison rioted on meatless days, Washington continued to wrestle this week with directives signed to increase the nation's meat supplies and distribute them more fairly. • **Eating Place Cut Expected**—moves, one ordered, one expected, held some prospect of easing the load on the housewife.

Lend-lease shipments of meat, cut a trickle earlier this spring (BW-31'45,p17), will be suspended altogether for three months beginning July 1. OPA is getting ready to take a chunk out of the meat rations of restaurants, hotels, and other institutional users.

Soviet Russia is the biggest loser in suspension of foreign shipments, having received 300,000,000 lb. in the quarter of this year. The United Kingdom received 25,000,000 lb. in the period. There have been no shipments of meat for relief feeding this year, now there is no likelihood of any, at least until meat supplies improve seasonally next fall.

• **On Home Basis**—Object of revision in regulations for public eating places to give them the same rations on a per-person, per-meal basis that the customers would get if they ate at home.

Heretofore, these have been allocated points on the basis of (1) price of meat—giving steak houses a little like a comfortable edge over competitors; (2) number of customers served. Now all eating places will

which rationations, with the number of consumers the only factor affecting point allotments.

Distribution by Areas—Using authority it some weeks ago by the War Mobilization, OPA has effected an "area distribution" which requires all slaughterers to the distribution pattern they followed in the first quarter of 1944. Slaughterers are required to ship to all parts in the U. S. the same proportion of their total kill (for civilian consumption, excluding meat set aside for armed forces and other government uses) shipped in the base period.

Relaxed—Simultaneously, the Food Administration has relaxed the percentages of total kill slaughterers are required to set aside for government purchase. While federally-inspected packing houses and ship across state lines to metropolitan areas which are now suffering the worst meat shortage) have been going full-tilt, others have been operating at only a fraction of capacity. Government set-aside orders have applied equally to all of them, with the result that civilian customers of some

packers have been getting only a dribble of their customary meat supplies.

WFA has now put set-asides on a sliding scale so that packers who are doing the biggest business will have to reserve proportionately more for the government.

Scott Expands

Leading tissue company buys wax paper firm, boosting potential volume for 1945 to near \$40,000,000 level.

Scott Paper Co., Chester, Pa., which in 40 years has transformed toilet tissue from a blushful under-the-counter commodity to a window display item in retail stores throughout the nation, has added a new household product—wax paper—to its restricted line of mass produced and marketed paper specialties.

Branching Out—Long the world's largest producer of toilet paper and paper towels, Scott branched into the wax paper field with the acquisition

of all the assets of Automatic Paper Machinery Co., Inc., which did a \$7,700,000 business last year in the sale of packaged wax paper and facial-type toilet tissue. Trade estimates place Automatic's sales at roughly one-third of the household wax paper business, largely concentrated in the East.

Along with the Automatic acquisition, Scott gets paper-making equipment at Milford, N. J., and facilities at Hoboken, N. J., and Sandusky, Ohio, for converting large rolls of paper to the retail's package sizes. The merger will boost Scott's 1945 business close to the \$40,000,000 mark, nearly double its 1940 sales, four times those of 1935.

To acquire the Automatic assets, Scott gave 136,840 shares of its stock worth approximately \$5,800,000 on the basis of market value at the time of the deal.

Bath-Size Paper Towel—The purchase is regarded as the first step in an enlargement of Scott's line, which for years was limited to toilet tissue and towels, and since 1943 has included limited distribution of facial tissue, production of which has been restricted by raw material shortages and lack of manufacturing facilities.

The company is known to have a bath-size paper towel, for example, and a couple of its war products—lintless tissue for cleaning lenses, and wiping cloths—have possibilities, both household and industrial.

Scott's tremendous growth over the past decade is attributed to its aggressive advertising which won for it not only increased business but incidentally some criticism from competitors and the Federal Trade Commission. Some ads suggested dire ailments which might flow from the use of inferior brands; others made their appeal on the ground of social status ("They have a pretty house, mother, but their bathroom paper 'hurts'").

In 1940, Scott signed a routine FTC stipulation stating it would no longer represent that competing toilet paper contained "splinters, rough or thin spots, or other defects." As a matter of fact, some trade observers credit the Scott campaign with raising the quality standards of all toilet paper. But recently, particularly since war eased sales pressures, scare copy, snob appeals, and the like have been distinctly soft-pedaled.

Supplies Own Pulp—Scott, in recent years, has bought a number of pulp and paper-producing plants, so that just prior to purchase of Automatic 50% of its pulp needs and all of its paper were supplied by plants it owns or in which it holds an interest.

Scott's big growth has come since 1927, when Thomas B. McCabe graduated from its sales department to the presidency. (Sales in that year were



MEAT: GOING, GOING, GONE

Wind that has closed so many butcher shops blew favorably for a few for the Detroit horse meat trade. The shortage, already acute when it called a halt on individual meat exports to U. S. shoppers (BW—45,p92), sent Michigan housewives frantically foraging for new proteins. For many: the U. S. Horse Meat Market (above), which sold 40,000 ration-free horse meat over its counter in a week—for 18¢ a lb. and up. The shortage outlived the boom, and with supplies of even horse meat, live pigs, calves, and poultry were selling fast at sky-high prices "for emergency purposes only." Meanwhile, across the border, Canadian farmers, with poultry, arrived in Windsor to find the rush a thing of the past.



Since Thomas B. McCabe stepped into the presidency of Scott Paper Co. in 1927, its unit sales have increased sixfold, its dollar volume more than fivefold, its net fourfold. McCabe now is on leave from Scott to direct disposal of overseas surpluses for the Army and Navy.

\$5,765,642; in 1944 were \$31,467,000.)

• **Started by Brothers**—The company dates back to 1879, when E. Irvin and Clarence Scott, brothers, started a paper jobbing business in Philadelphia on \$300 of their own funds and \$2,000 borrowed from Irvin's father-in-law.

The brothers decided to push toilet paper as an essential adjunct to the new sanitary plumbing then coming into vogue. They bought tissue in large rolls from manufacturers and converted it into household rolls for marketing under merchants' private brands.

A brief flyer in the bicycle manufacturing business ended disastrously when one of their Great Scott bikes fell apart during an important race, and they turned to toilet tissue exclusively.

• **Turned to Merchandising**—Irvin's son, Arthur Hoyt Scott, entered the business in 1896 and immediately advocated dropping private brands and concentrating on a few of the company's own brands, with proper merchandising effort. But this meant giving up the business from more than 2,000 private brands, and the firm moved cautiously. In 1902, the "Waldorf" brand name was purchased from a Philadelphia paper merchant who had built it into wide acceptance.

Five years later Scott pioneered the way in the paper towel business almost by accident. A carload of crepe tissue purchased from a paper mill was found

much too heavy for toilet paper. Arthur Scott had the heavy tissue cut into rolls and perforated to produce the first commercial tissue towel.

In 1910 the company bought an old soap factory at Chester, installed new equipment, and began to manufacture its own paper. In 1913 manufacture of private brands was discontinued and one of its earlier brands, Sno-Tissue, was renamed ScotTissue. Since that time, the firm has concentrated on ScotTissue as its top quality product, Waldorf as its next grade.

• **Big Advertising Budget**—Marketing its own brands necessitated advertising them, and in 1906 Scott made its first recorded advertising expenditure—\$3,906 for leaflets and display cards. It was not until 1919, however, that it broke into national magazines with toilet paper ads. By 1943 its advertising expenditures in such magazines had risen to an estimated \$500,000; last year it was nearly \$600,000.

With McCabe as its sparkplug, Scott has successfully employed various merchandising devices to promote its line. Its "Washroom Advisory Service" for years has told business firms how to design or rearrange washrooms for greatest efficiency.

• **Safety Program**—Its merchandising technique has been turned to helping its production department, with rallies, contests, posters, and other selling devices, all the product primarily of its advertising and merchandising division. Principal objects of attack have been accidents, absenteeism, and waste.

The results at Chester prove the value of the program: accidents cut from 129 in 1942 to 17 in 1944, absenteeism reduced from a 7.9% average to 2.7% last year, savings, in paper, power, water, etc., were estimated at \$186,000 last year.

In mid-April, McCabe was given a leave of absence from Scott to become commissioner of the Office of Army-Navy Liquidation, charged with the disposal of overseas property. This is not his first federal job; he has been chairman of the Federal Reserve Bank of Philadelphia since 1939, is chairman of the business advisory council of the Dept. of Commerce, and was for a time deputy lend-lease administrator. His availability for such public service results directly from the organizational job he has done in building up management throughout all Scott departments.

• **Busy Schedule**—Getting its new mill at Fort Edward operating and adjusting company operations to handle Automatic and the wax paper line will keep Scott busy for some months. By that time, perhaps, McCabe may be back with some new merchandising or expansion plans.

Whisky Battle

Availability of ingredients may be expected to touch out competition among distillers to clinch market for their blends.

An all-out competitive battle which whisky producers will vie each other for the largest percentage share of the blend markets is in the offing.

The conflict impends despite the fact that lack of merchandise with which to push sales has, to outward appearances, virtually stifled competitive tactics among distillers in the past years. With the promised July day and the lifting of temporary restrictions on imports of neutral spirits (Jun. 27 '45, p. 21), such an armistice no longer exists.

• **Schenley vs. Seagrams**—Biggest rivalry within the industry may be between Schenley Distillers Corp. and Seagrams, Ltd., which in 1942, when all distilleries stopped

From Ships to Diesels

What to do with a shipyard when the wartime demand for ships falls off?

Robert I. Ingalls, board chairman of Ingalls Shipbuilding Corp., has a new answer for his company's yard at Pascagoula, Miss.—diesel electric locomotive. Pending completion of his first 1,500 hp. switcher, Ingalls, keeping a tight lid on all construction details, says only that his "ideal" engine, a composite of recommendations made by various railroad men in Chicago, will incorporate many changes and refinements. Large scale manufacturing is planned for late this year.

Meanwhile, due to \$43,000,000 of new ship contracts obtained in the past few weeks including seven 18,000-ton vessels which will be assigned to the Moore-McCormack Line, there is a sufficient backlog of new ship construction work to carry the Pascagoula plant well into 1946. This new volume, coupled with expanded repair work, may even make it necessary to transfer the locomotive project to other plants in order to have it rolling at full speed when the big layoffs come.

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whisky and converted to war alcohol production, Schenley had the industry's largest stocks of whisky—100,000 gal. National had 79,000,000 gal.; Seagrams 52,000,000 gal.; Hiram Walker 47,000,000 gal. As a result, Schenley was able to be more generous than others in allotments to distributors during the worst shortages.

When blending spirits were running low in 1943 because of the demands for alcohol used in the government's synthetic rubber program, Schenley turned to Cuba and arranged to buy most of the available "cane spirits." Other distillers, forced to cut rations further, smarted under this strategic move.

"Cane Spirits" Attacked—Seagrams recently attacked use of "cane spirits" through heavy advertising programs, stressing that its blends were still made from the traditional grain raw materials.

In October, 1943, Seagrams bolstered its position by acquiring Frankfort Distilleries, adding millions of gallons of grain whisky to its stocks and two more brands (Four Roses and Paul Jones) to its list.

From Bonded to Blended—National moved to save its aged whisky supply by making blends out of venerable bonded whiskies, such as Mount Vernon, and centered its advertising on blends. Hiram Walker pared allotments of its bottled-in-bond items in favor of its blends. Both companies picked up whatever independents they could buy (Walker got W. A. Taylor; National got Glencoe).

All companies redistilled brandy, rum, and other beverages to make blending spirits for whisky blends.

Battle Lines Drawn—Thus were the lines drawn for the battle that appears to be imminent. The Big Four and everybody else in the whisky business are now doing business in blends. And, with aged whisky stocks at the lowest point since 1936 and with plenty of blending spirits about to become available, the whisky-makers are going to play in blends.

Price Wars?—Whether dangerous "price wars" will be resumed is questionable. Many states now have fair trade laws to prevent such price-cutting. Besides, there is a matter of taxes. In 1942, the year of record consumption (90,000,000 gal. of all distilled spirits, domestic and imported), the tax, until Nov. 1, was \$4 a gal. On Nov. 1, 1942, it was raised to \$6, and then to \$9 on Apr. 1, 1944. That is why the price of liquor has almost doubled. Also, the states take another dollar or so in excise taxes.

No Such Windfall—For consumers who prefer Scotch, bonded, or straight

whisky, there is little hope for any such windfall of merchandise as will occur in blended whiskies. Straight whiskies will get plentiful in a few years, with three-year-old probably blended with six- and eight-year-old whiskies into blends of straights. Scotch and bonded will take a bit longer to get back on the old basis.

But distiller advertising is apt to concentrate on making consumers forget about everything but whisky blends.

Fund Modified

Bretton Woods Agreements Act up for debate in House with two changes designed to protect U. S. interests.

Debate on the Bretton Woods Agreements Act got under way in the House this week.

At Bretton Woods last summer, there was proposed an International Fund to stabilize exchange rates by providing semiautomatic credit lines to nations faced with trade deficits; and an International Bank to promote world economic recovery by making selective reconstruc-

tion and development loans (BW—Feb. 10'45, p120).

• **A.B.A. Attacks Fund**—Chief criticism in the U. S. of these plans came from the American Bankers Assn. Fearing misuse of the Fund's resources, the A.B.A. proposed elimination of the Fund and the grant to the Bank of currency stabilization powers. The Committee for Economic Development sought a compromise in shifting the burden of long-term stabilization to the Bank but retaining the Fund to correct current disequilibria (BW—Mar. 24'45, p19).

As the bill came before the House, after receiving Banking Committee approval by a vote of 23 to 3, it provided for two significant modifications of the measure originally sponsored by the Administration. Under the first, assistance from the Fund would be limited to nations with trade deficits arising out of strictly current transactions and use of the Fund would be forbidden for relief and reconstruction or large capital outflows; under the second, the Bank would be empowered to make long-term stabilization loans on a selective basis.

• **A Single Governor**—These provisions would be effected by directives to the U. S. governor on the Fund and the



BLASTING FOR OIL MAY BLAST PARK

The dynamite blasts (left) that are shaking the coast of North Carolina may turn up new oil fields but they have temporarily knocked out a projected national park. The Cape Hatteras National Seashore, which had hoped to get 100,000 acres, including the famous lighthouse site and Fort Raleigh, abruptly halted its plans when the oil scramble began. Tidewater Petroleum & Gas, a local company, which has under lease some 600,000 acres, has erected a derrick (right) and is drilling near Morehead City. Standard Oil, Sinclair, and Texas are also working over large areas. If the man-made earthquakes indicate oil on the seismograph, the park's prospects are dim, though Congressman Herbert Bonner has drawn a bill to give the Seashore plan ten years of grace.

World Economic Agency Emerges at San Francisco

The four powers represented in the Dumbarton Oaks conversations last autumn placed primary emphasis on policing the world to keep the peace. The 49 states at the United Nations conference in San Francisco are stressing the desirability of improving the world's social and economic situation in order to remove some of the causes of war and thus reduce the importance of the police.

This shift of emphasis has caused the adoption of a set of amendments greatly widening the scope of interest of the Economic & Social Council, to which the Dumbarton Oaks conferees gave a vague authority and a subordinate position.

• **Depend on Publicity**—But the role that this council will play in world affairs will be great and influential only if the various nations are moved by publicity. The council is to have vast jurisdiction for research and recommendation respecting social and economic problems, but no jurisdiction over affairs of individual nations. The council will propose and publicize its propositions; the sovereign states will dispose as they see fit of what the council recommends.

The leading defenders of the sovereignty principle in the Economic & Social Council committee debates have been the United States and the Soviet Union, each the jealous guardian of its particular way of life.

The United States, whose delegation has held the barriers against strong pressure to turn the council into an instrument for a world new deal, pressed through committee an amendment specifically barring the council from domestic interference. The U. S. at the same time has sought with success to keep the council's authority general rather than specific. France, Venezuela, and Greece proposed that the council guarantee free access for all countries to raw materials, but the United States has attracted support to repel this pressure.

• **Debate on "Education"**—Controversy over the nature of the Economic & Social Council may provide the conference with its last great struggle, during the closing days when the plenary sessions convene on the final acceptance of the chapters in the United Nations charter draft. There is a forceful drive by the Chinese and Soviets to mention "education" as a council function in the final draft of the charter, and to admit at once League of Nations' agencies like the International Labor Organization but without mentioning any specific bodies.

The work of transferring the weak Dumbarton Oaks Economic & Social Council into a vigorous agency has been the job of Committee 3 of Commission II, under chairmanship of Sir A. Ramaswami Mudaliar of India.

• **To Have 18 Members**—The council emerging from the committee sessions will be a principal agency of the international organization. It will have 18 members elected by the General Assembly. The nub of its powers are in Chapter IX, Section C:

"To make recommendations, on its own initiative, for promoting respect for, and observance of, human rights and fundamental freedoms;

"To make and to initiate studies and reports with respect to international economic, social, cultural, health, and other related matters, and to make recommendations, and its own initiative, on such matters to the General Assembly, to the members of the Organization, and to specialized organizations or agencies concerned;"

"To coordinate the activities of the economic, social, cultural, health, and other specialized organizations or agencies brought into relation with the organization, through consultation with, and recommendations to, such organizations or agencies, and through recommendations to the General Assembly and to the members of the Organization."

• **"Color" Struck Out**—The struggles of the committee have been over

words. China sought vainly the inclusion of "color" in the preamble, which dedicates the council to promoting "universal respect for, and observance of, human rights and fundamental freedoms for all without distinction as to race, language, religion, or sex."

The Australians, and the labor groups among the American consultants successfully pressed for the inclusion of the phrase, "full employment," in the preamble. The American delegation was divided on this issue, but finally accepted the phrase with a proviso for noninterference. The British delegation was of the opinion that "full employment" was just a phrase, in that the stress should be laid on economic practice sound enough to produce something close to full employment.

• **Groups Shaping Up**—The effectiveness of the council will be determined somewhat by the strength of its peripheral organizations which will be invited to collaborate with it after the adoption of the charter. Some of them already are coming into existence—the Food & Agriculture Organization, an aviation organization, an educational organization, the International Stabilization Fund, and the Reconstruction & Development Bank. The committee has approved a suggestion for the creation of a United Nations health organization.

Some of the organizations, notably the stabilization fund, would have limited powers of domestic interference which are denied to the council itself.

• **Basis for Amendments**—The struggle over sovereignty is likely to continue beyond San Francisco, and the broadening of the authority of the Economic & Social Council may provide the basis for the chief amendments submitted by national legislatures when considering participation in the new world organization.

Bank managements to obtain official interpretations that the institutions would operate along these lines, failing which he would ask Congress for the necessary amendments. Other changes provided for appointment of the same person to serve as U. S. governor on both Bank and Fund; for establishment of a national advisory council on international monetary policy.

• **Senate Changes Feared**—These modifications should enable the U. S. to prevent dissipation of the Fund's resources and restrict foreign fiscal policies which might be inimical to American interest—without substantially limiting the freedom of action for all nations in domestic affairs contemplated at Bretton Woods.

Should the bill pass the House intact, it is expected that an effort may be made

in the Senate Banking Committee to make the Fund's credit lines—like the Bank's loans—discretionary rather than almost automatic.

But as drastic a change as this might precipitate equally important changes by other United Nations, thus requiring another conference—which the House Banking Committee has desperately sought to forestall.

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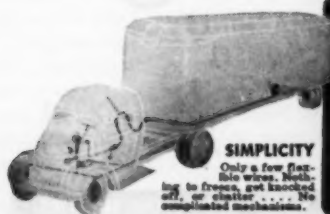
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WFA Sifts Rye

General Foods, big Chicago grain brokerage firm, and others accused of cornering market and manipulating price of grain.

Rye holdings in terminals a year ago were so huge that they clogged elevators and threatened rail delays (BW Jun. 17 '44, p. 21). At that time, almost 12,000,000 bu., occupying close to 50% of Chicago's total elevator capacity, were of undisclosed ownership. Eventually, when this rye began moving, we got out that most of it belonged to General Foods Corp. (BW—Nov. 4 '44, p. 4).

• **Price Manipulation Charged**—Last week the War Food Administration brought into the open something that for months had been whispered in grain trading circles. WFA ordered General Foods, its executive vice-president Charles W. Metcalf (who is also a member of the Chicago Board of Trade) and the big grain brokerage firm of Daniel F. Rice & Co., Philip R. O'Brien, formerly president of the Board of Trade for three terms, and others, to answer a 13-page complaint. Principal charges are that the respondents cornered the rye market and manipulated the price of cash rye and rye futures contracts in violation of the Commodity Exchange Act.

WFA's complaint shows this behavior of rye futures during the period involved: On Dec. 1, 1942, May, 1943 was 70½ and by May 21, 1943 had increased to 86½-87½; July, 1943 rye was 73 on Dec. 1, 1942 and on July 2, 1943 was 105-105½; September, 1943 rye on Dec. 16, 1942 was 75½ and on Sept. 22, 1943 closed at 105-105½; December, 1943 contract on Feb. 8, 1944 was 86½ and 123½-124 on Dec. 2, 1943. May, 1944 futures were 100 on Aug. 16, 1943 and 112½-112½ on May 22, 1944.

• **1943 Complaint Cited**—General Foods' rye purchases between December, 1942, and May, 1944, already had attracted less than completely favorable comment and action from several directions. WFA's complaint points out that the Business Conduct Committee of the Chicago Board of Trade in November, 1943, had Metcalf on the carpet, in substance informed him that his personal and corporate rye holdings might tend toward a corner, and ordered that no further purchases of December, 1943 rye be made for either account without the committee's consent.

Elevator congestion at Chicago was the reason WFA gave twelve months ago for urging WPB into an order that

Oregon

HAS A SIX YEAR HEAD-START
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Three hours after Phillip Murray, Eric Johnston and William Green announced a proposed national charter for labor-management these Oregon men signed a joint endorsement. From left—Stanley Earl, executive secretary, Oregon State C.I.O. Council; President Frank E. McCaslin of Portland Chamber of Commerce, representing management; and James T. Marr, executive secretary, Oregon State Federation of Labor, A.F. of L.

Oregon workers are not hidebound by tradition, they look at the world, they look at opportunity with a broad viewpoint. They are anxious to tackle big jobs even to smashing of the myth—that constant conflict with management is inevitable.

Shipbuilding records, lumber production, production of food stuffs, extension of hydro-electric power—all have been produced for war on a vast scale.

Even as we take time to survey our physical accomplishments we are also building a modern formula that harks back to the "practical partnerships" of our pioneer days—war productivity has been accomplished without lockstep lines.

The ideal labor-management "climate" of Oregon is

one of "live and let live". It has nurtured the rapid growth of our industries in peace and now for war. Tomorrow, to those alert to the advantages of the Pacific Northwest, it will furnish a fertile field for industrial expansion.

We invite you to consider building with us—out Farthest West—where we haven't had a major strike nor lockout for over six years.

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at least 10% of all grain distilled into industrial alcohol must be rye. Reluctant executives of the WPB Alcohol & Solvents Section, and the even more reluctant distillers, muttered behind their hands that some motive more potent than mere elevator congestion must account for the high-pressure tactics of the rye proponents.

• **Explanations Differ**—No reason plausible enough to satisfy the skeptics has ever been advanced for General Foods' aggressive acquisition of rye during the 18 months buying campaign. Announced reason is that the operations were "to protect the company against

general price advances in commodities." Explanation most widely credited on LaSalle Street: Rye, since November 1943, has been the only grain not subject to an OPA price ceiling, therefore has been a favorite vehicle for speculation.

General Foods also owns a process for making glucose from rye, and at that time corn was scarce both for milling and for feed. Visions of rye-flavored sugar plums danced through many a margin trader's head back in those days, and the WPB-compelled use of rye in war alcohol gave the bulls' hopes an extra fillip.

For a Quick Clean Sweep in Europe

Civilian and military members of the Army-Navy Surplus Liquidation Commission began girding this week for the tremendous chore of cleaning up military odds and ends on the Continent; a job which must be done quickly to permit immediate transfer of arms to the Pacific.

• **Mechanical Aide**—Appointment of James S. Knowlson—who never goes anywhere without a slide rule—as the commission's head field man in Europe (including the Mediterranean) may turn the trick. Going on 62, Knowlson is president of Stewart-Warner Corp., principal owner of Speedway Mfg. Co., but describes himself as "a mechanic".

He came up literally from the bottom—a Burlington roundhouse pit where he worked summers while studying engineering at Cornell. Out of college he went to work—at \$9.80 a week—in General Electric's engineering department. Four years later he was making \$14.50.

• **To the Top**—Sargent & Lundy, Chicago engineers who had persuaded Knowlson to study engineering, decided he was ripe. Lundy, who had an electromagnetic hammer plant at Cicero, Ill.—the Speedway Mfg. Corp.—gave him a job, made him president two years later.

As Speedway expanded, so did Knowlson. The company began turning out other tools, and induction motors; Knowlson picked up experience in production, personnel relations, and marketing. In 1934 Stewart-Warner called, and Knowlson sat as chairman of the board. He became president in five years.

• **To Washington**—An old friend, Donald Nelson, induced him to become deputy officer of priorities in the Office of Production Manage-



James S. Knowlson

ment in 1941. Knowlson was already familiar with priority and conversion problems through earlier Stewart-Warner "educational" war orders. He continued into the War Production Board, moved up to become vice-chairman and director of the division of industry operations.

His experiences paid off in Stewart-Warner's relatively painless transition from its many lines which in wartime rated as non-essential. The company's output in 1943 reached an all-time high of \$115,000,000, in 1944 fell back to \$107,000,000.

Ready to open a new chapter, Knowlson is back in Washington again, this time consulting with his new boss—Thomas MacCabe (page 20), head of the liquidation commission—and laying plans for one of the toughest cleanup tasks of history.

Ready for Payday

Scheme for companywide settlement of war contracts final touch on the government termination machinery.

Big production cutbacks and readjustments coming in the wake of V-Day are providing the first full-scale test of the government's machinery for paying off contractors who suddenly lose their war work. If there are no serious hitches in the contract termination plans, most of them probably will show up within the next few months.

• **Companywide Scope**—Robert Hinckley and his Office of Contract Settlement don't think there will be any hitches. They have had almost a year to get ready, and in that time they have tackled the job systematically, moving from one potential trouble spot to the next. By now, their preparations are just about complete.

One of the final touches is a new regulation authorizing companywide settlements with some of the big contractors whose war business is so complex that it can't be sorted out and handled expeditiously in terms of separate contracts (BW—Jun. 2'45, p. 5). Under this plan, one procurement agency (either the Army or the Navy) will be assigned to handle settlement of a contractor's claims. It will send in a team of lawyers, accountants, and production men, which will work out a lump settlement covering all the company's contracts and subcontracts.

• **For Big Concerns**—For the present at least, companywide settlements will be limited to a few big contractors who present special termination problems. Applications will have to be approved by a three-man committee, composed of representatives of the Army, Navy, and Office of Contract Settlement.

Officials think that only about 100—at the outside 200—firms will be eligible for companywide handling. In most cases, these will be big operators with a great many diversified orders and a large part of their business conducted on subcontract. Companies such as General Electric, Westinghouse, and Allis-Chalmers (which already has signed companywide pretermination agreements with the Army) are good examples.

• **Bottlenecks Detoured**—Companywide settlements probably will be more important than the number of eligible contractors indicates. Termination officials hope to use them to get around

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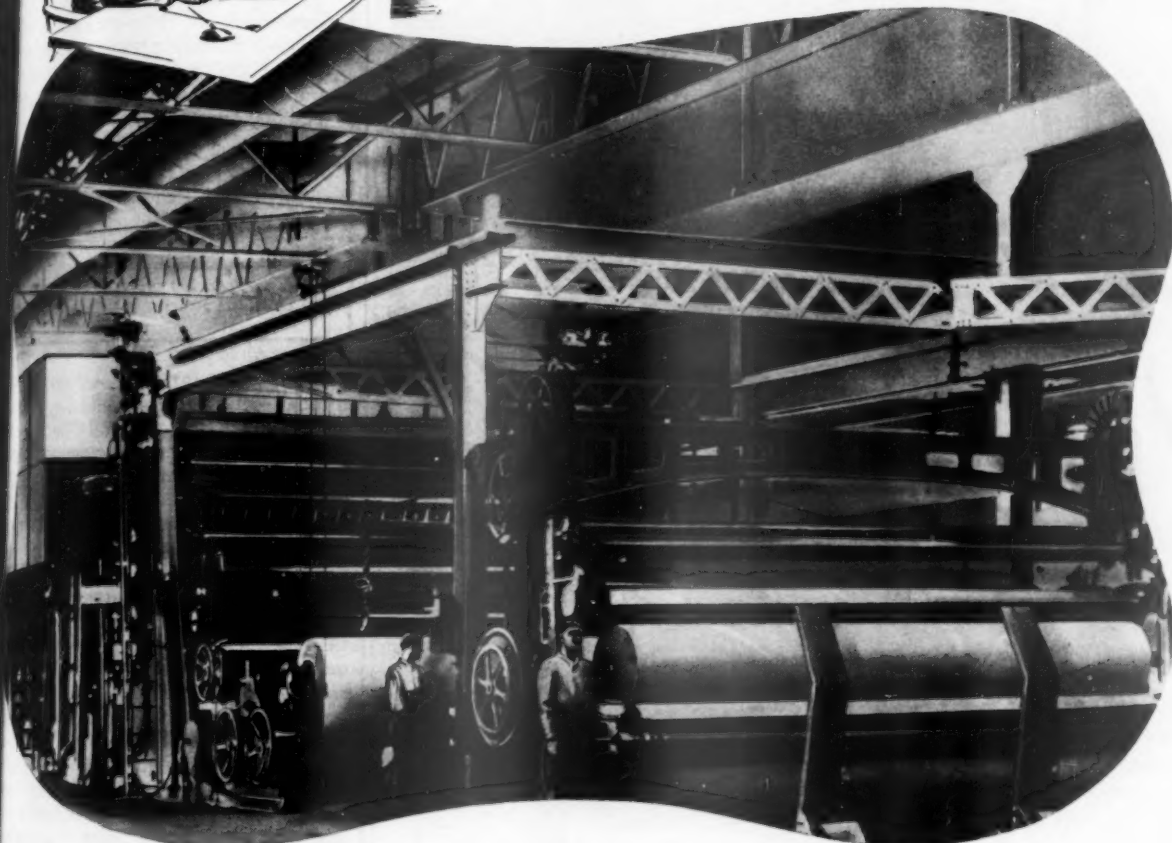
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Sic Transit

In San Francisco, the diplomatic brains of the world have been trying to fashion something permanent out of a common desire for peace. It remained for a furniture jobber to remind the United Nations that their conference—no matter how lofty its handiwork or long-enduring its aims—is after all a transitory thing.

The jobber announced, via the want ad section of a San Francisco newspaper:

INTERNATIONAL Conference desks and tables. Now taking orders. Delivery as soon as possible. M. Rogers, 19 Battery. GA. 5934. 60x34 flat top desks, walnut grained, \$28.75; 60x34 tables, \$17; type platform attachment, \$4.

bottlenecks in the line of subcontractors through which payments filter down to the lower tiers. General Electric, for instance, will be able to work out direct companywide settlement with the government and pay off thousands of subcontractors instead of waiting for payments to be passed down to it from companies in relation to which it is a subcontractor.

Along with the companywide settlement plan, Hinckley announced new regulation to protect the claims of subcontractors in cases where the prime contractor is threatened with insolvency. Under the new rule, subcontractors will be able to apply to the contracting agencies for direct payment of their settlements regardless of any offsets or claims that the government or other creditors may have against the prime.

• **Some Disapproval**—Subcontractors are not entirely happy with the new regulation. They would like direct settlement on all their claims, not just those where the prime contractor goes bankrupt.

The procurement agencies, which handle the actual negotiating and settling, always have insisted that they could not handle the extra work of dealing directly with the subs. The Office of Contract Settlement, which lays down the rules for termination and supervises the job, has backed them up. It works on the theory that the best thing it can do for the subs is arrange for interim financing and prepare for prompt settlement on prime contracts.

• **Settlements Speeded**—Both the procurement agencies and the Office of Contract Settlement are banking on their system of pretermination agree-

ments (BW—Oct.28'44,p21) to speed up the settlement process. In pretermination planning, the contractor runs off a dress rehearsal of a real termination, trying to make definite decisions as many points as possible. He then talks things over with the government contracting officer in an attempt to reach advance understandings.

The Army and Navy still are reluctant to sign binding pretermination agreements, but they are eager to reach informal understandings that can serve as the basis for a quick decision when the contract is terminated. So far, about 50 formal pretermination agreements have been signed. In addition, there are about 1,200 informal agreements and a large number under discussion.

Studied by Steel—The latest move by the procurement agencies has been to invite the 19 big integrated steel producers to talk over pretermination agreements.

These would include understandings on the retention value of inventories, pricing and costing methods, disposition of property the contractor does not want to retain, scrapping policies, accounting methods, and a clause providing for refund of any profit over a specified amount on resales of inventories the contractor takes over.

Financing Surveyed—To check on the adequacy of interim financing measures, the Office of Contract Settlement has been making surveys of big industrial centers where contractors might have trouble getting cash if they lost their war business suddenly. Reports on the first seven surveys—covering Pittsburgh, Cleveland, Wichita, Denver, Dallas, Fort Worth, and Oklahoma City—showed that about 90% of 3,403 contractors had provided in one way or another for working capital problems of the period immediately after termination. But in Wichita, it appeared that about one-third of the companies could expect difficulty or delay in getting credit, and in some of the other cities the number of critical cases ran better than 10%.

Critical Period Approaches—In spite of their preparations, officials know that the next few months will be a critical time. As yet, the Army hasn't translated all its cutback estimates into terms of terminations, but one semi-official guess is that some 17,000 prime contractors and 100,000 subcontractors will lose some or all of their orders during the next three months.

Hinckley's fairly conservative estimate is that terminations in this period may average \$2,000,000,000 to \$3,000,000,000 a month instead of \$1,000,000,000, which has been the average over the past year.

Talk to your Designers about
SALES ADVANTAGE!

**Be Certain They ...
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STOW

FLEXIBLE SHAFTING

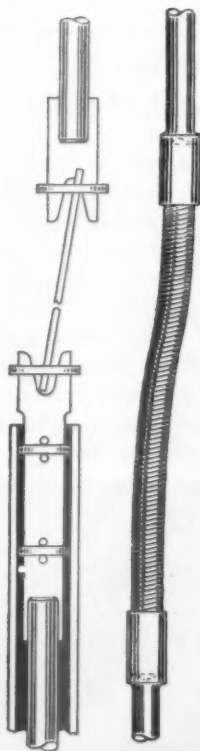
Cuts Costs!

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Your postwar products can have a built-in sales advantage! It's a job for your design engineers. Lower costs, simplified design, quick, inexpensive service—these are the competitive factors—available to your product through the combined efforts of your own designers and the proved performance of STOW Flexible Shafting!

← Here's an example of Stow's ability to simplify complex construction! A Universal Joint, containing twelve parts—each subject to wear, replacement, and service—replaced by one contour-following Stow Flexible Shaft! Your designers will see hundreds of possible adaptations of this principle in the book "Stow Flexible Shafting." MAIL COUPON NOW FOR A FREE COPY!



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Profit in Paradise

Hawaii rides crest of a prosperity wave but is not too happy about it. Labor and housing are among the bothersome issues.

Business is so lush in Hawaii that even the OPA, whipping boy in most states, hasn't been editorially criticized for more than a year. But despite fat bank deposits, large war bond purchases, a territorial surplus so big that the legislature is considering payment of one-half its bonded debt, and hundreds of thousands of military customers—Hawaii is not completely happy.

No one fears that the wartime boom will collapse as operations move closer to Tokyo. In terms of transportation, Honolulu is to the Pacific what Chicago is to the American continent. What makes Hawaii restless in the moonlight are the hangovers from martial law, the growing strength of unions, and the lack of housing.

• **Like Times Square**—The congestion in Honolulu, only metropolitan area of the eight islands, resembles that of Times Square. The city's population has jumped 50% from 200,000 in 1941, partly from an influx of workers from other islands, partly from civilians imported from the mainland.

• **A Sellers' Market**—The effect of these new salaried workers on stores, services, and amusements, can be imagined (BW—Dec. 12 '42, p. 30). But when troops by the hundred thousand move to or from battle areas with money they haven't been able to spend, the rustle of folding money sounds like a Kona storm in the palm trees.

But the town cares little for the night trade. Though the curfew doesn't come till 10 p.m., few places stay open for business after 6 p.m.

• **Plenty to Eat**—Feeding the islands has been ably managed by the War Food Administration. No food is rationed, although much of it has to be brought in by ship. OPA took over price control from the military in March, 1943, and found that Japanese shopkeepers' dread of being considered unpatriotic made them particularly eager cooperators.

Martial law, which existed from Dec. 7, 1941, until Oct. 24, 1944, is still a subject of violent debate. Both J. Edgar Hoover and Secretary of War Henry L. Stimson have stated that there was no sabotage by Japanese (about 35% of the civil population) in Hawaii.

• **A Club Over Labor?**—One contention is that military government was used to control labor, and substance

is given this claim from the record of workers jailed for absenteeism. Of 700 cases brought into provost courts, 700 convictions resulted. Critics say a jail sentence is an odd way to cure absenteeism. Since 75,000 to 80,000 employees of the 150,000 in nonagricultural employment were subject to military control, it is readily understood why the unions were alarmed.

Conspicuous among the opponents of military government have been Hawaii's delegate to Congress, Joseph Farrington (president and general manager of the Honolulu Star-Bulletin), the A.F.L., the C.I.O., and Gov. Ingram M. Stainback.

• **Unions Show Gains**—Labor, which has long claimed that Hawaii is managed under a feudal system, has grown mightily in power since 1941.

Union membership may be as low as 20,000, but the influx of workers from the mainland and the activities of Harry Bridges' International Longshoremen & Warehousemen's Union are worth

watching. The latter is already strong on the sugar plantations.

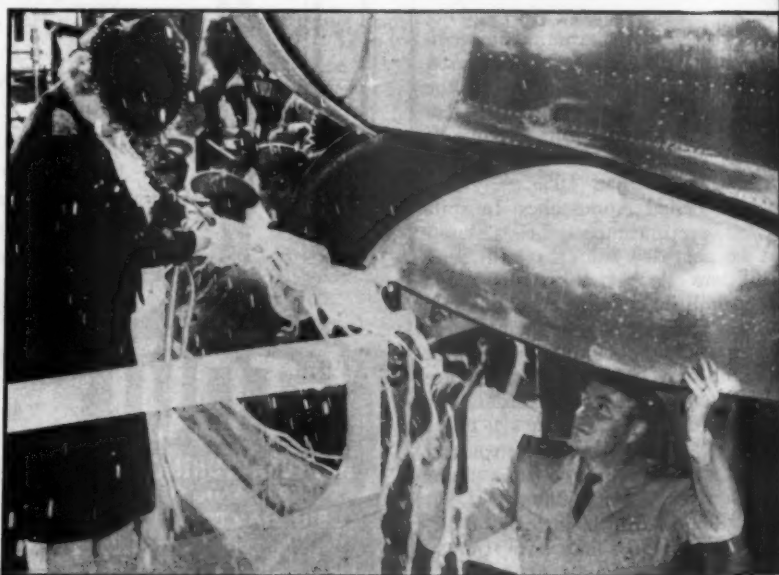
• **The Big Five**—Thirty-five of the territory's 38 sugar plantations are run by the "Big Five," the companies which have custody and management of one of the great economic jackpots of all time. The Big Five are: Alexander & Baldwin, Ltd., sugar factor; Castle & Cooke, Ltd., sugar factor and steamship agents; C. Brewer & Co. Ltd., oldest sugar factor; American Factors, Ltd.; and Theo. H. Davies & Co., Ltd., wholesalers, commission agents, and sugar factors. The last two imported 70% of the food in 1941 and were dominant in hardware and dry goods.

The firm names by no means include all of the powerful families which are represented by the Big Five, many of whom are descendants of the New England missionaries who taught native women to wear long dresses.

• **Significant Ties**—The five companies are knitted to each other in many

BAPTISM BY BLOW

If planes are going to have champagne christenings, manufacturers are going to have to build stronger craft. Last week, Mrs. Harry S. Truman, wielding a mean bottle, thwacked the Army's "U. S. Capitol" nine times without appreciable effect—on the bottle. The plane suffered a sizable dent (right). When the First Lady, undaunted, moved on to tackle the Navy's "Congressional," an officer (below), assisted gallantly with a mechanic's hammer. The Army cherishes its dent.



WANTED: More Men Like "MIKE"

Reading time: 1 minute, 57 seconds



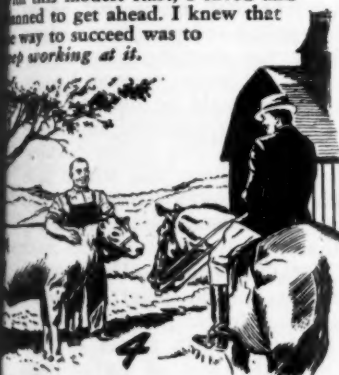
"My first job at 18 was helping in a shoe store. That was in 1900. With this modest start, I saved and planned to get ahead. I knew that the way to succeed was to keep working at it."



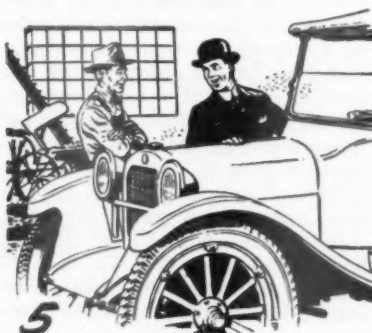
"Within a few years I had a shoe store of my own. I married and my wife helped me carry on the business. That gave me time to branch out and better myself. An opportunity soon came along."



"One day I bought a horse; sold it at a profit and bought another. This business thrived and before long I acquired a livery stable as horse and cattle trading took me over the countryside."



"Dealing in livestock I found I could cover ground faster in a car and do more trading. I bought one. My farmer-customer liked it and traded some cattle for it. I sold the cattle and bought another car."



"In 1918 I bought my first Dodge automobile, and about that time realized that more and more people were buying cars. I continued in the shoe business and livestock trading; but I also began selling cars for a local dealer along with farm machinery."



"These various interests occupied me until 1927 when I became a Dodge dealer and devoted my entire time to this. I still operate this business along with a branch in a nearby town. Before the war, with nearly 100 employees, my automobile sales exceeded \$1,250,000 in a year."

Early in life Mike recognized and followed the traditional American formula for individual progress.

He knew that with freedom of opportunity to compete with others in serving the public, the best economical security anyone could have is initiative, energy and industriousness. He was confident that under the American way . . . with the public free to choose . . . he would reap rewards in proportion to the success of his efforts. That was all the incentive Mike needed.

This dealer whom we call "Mike" is the owner of a successful business today. His progress is

typical of the opportunities that exist in free competitive business.

With the return of peace this should again be true of the automobile business which has thrived by anticipating public needs and supplying them. Every branch of this industry should offer a bright future to alert, ambitious men.

CHRYSLER CORPORATION
PLYMOUTH * DODGE * DESOTO
CHRYSLER * DODGE Job-Rated TRUCKS

You'll Enjoy "The Music of Morton Gould" Thursdays, 9 P. M., E.W.T., CBS

KEEP ON BUYING WAR BONDS

mutually significant ways, in both control and management of their vast enterprises. For instance, George G. Montgomery, vice-president of Castle & Cook, is also a vice-president of the Ewa Plantation Co. (sugar) and Hawaiian Pineapple Co. (Dole), and chairman of the executive committee of the all-important Matson Navigation Co. Castle & Cook's president, A. G.

Budge, is a director in all of these companies, besides holding vice-presidencies in Matson and in Hawaiian Pineapple.

American Factors' president, H. A. Walker, is president of the Oahu Sugar Co. and a director of Matson.

Philip Spalding, president and director of C. Brewer & Co., Ltd., is also a director of American Factors. He is also a director of Matson, and presi-

dent and director of eight sugar companies, in addition to his other financial, industrial, and agricultural directorates.

• **Rep. Cole's Bill**—Latest developments in the war-born controversy over control of the islands is a bill introduced by Rep. W. Sterling Cole, a Republican member of the Naval Affairs Committee, which would place Hawaii under

Air Transport Reduces a Business Hazard

Tomato plants pulled from a Georgia farm after sunrise were transplanted in an Ohio farm, 700 miles distant, before sunset the same day recently. Air transportation had been used for the first time on a large scale for shipment of living farm plants, and to the tomato plant industry the experiment was full of significance.

• **A Hazard Minimized**—Commercial-scale cultivation of tomato plants is a business in which timing is vital. One of the hazards of the industry has been that when plants were the right size for transplanting growers often were not ready to receive them. By the time planting conditions on distant farms were suitable, plants awaiting shipment might have grown too large for successful transplanting. Plant growers have lost thousands of dollars that way.

Such, in fact, were the conditions which confronted Harry A. Hornbuckle, south Georgia farmer, recently. Hot weather and rain had forced the growth of plants on his farm. Earlier shipment of the plants had been prevented by unfavorable

planting weather in Ohio. Around 320,000 plants were flown by Delta Air Lines, in two shipments, to the H. J. Heinz Co. farms near Bowling Green, Ohio. Each trip took four hours instead of the usual four days required for ground transportation.

• **Careful Tests Made**—During the flight, experts of the U. S. Dept. of Agriculture—Dr. William D. Moore of Ft. Lauderdale, Fla. and Dr. Erston V. Miller of Orlando, Fla.—recorded, at half hour intervals, the effect of altitude, humidity changes, and other factors on the plants.

They learned that desired temperature can be maintained naturally by flying plants at medium high altitudes. But, according to the experts, chief benefit of air transportation of plants is that elapsed time between pulling and planting is substantially reduced.

This advantage was again emphasized one day last week. Southern Airways Inc. flew 45,000 freshly pulled plants from Adel, Ga. to Chicago for distribution by Libbey, McNeill & Libbey to Cook County farm-

ers who transplanted them the same day.

• **Packing Costs Reduced**—Several methods of packing were used to determine which is best for air shipments. Some plants were wrapped in wet moss and placed in hampers, the present method used for land transportation. Others were placed in burlap bags. Still another group was wrapped in wet moss without benefit of bag or hamper.

Indications were that plants shipped without any protection to the roots fare better in high altitude flights. This, according to the agricultural experts, means that plants can be pulled and placed in a plane without any covering whatever to the roots. A burlap or more loosely woven bag would be used to keep the plants from scattering and losing their identity. This lighter packing arrangement it was said, would save about 85¢ on each hamper of 400 plants, to say nothing of the saving in time.

• **\$2,000,000 Volume**—The bulk of Georgia's tomato plant business—and the state claims to be No. 1 in that field—is in plants certified by the state Dept. of Entomology. Of this year's estimated 800,000,000 plants, the department certified 700,000,000 for which growers will receive around \$2,000,000. Prices range from \$2.50 to \$3 per 1,000 for certified plants; \$1.75 to \$2 per 1,000 for noncertified plants. Around 1,000 plants are produced to the acre.

• **War Prisoners Employed**—Labor shortage on the farms has been alleviated this year by the use of German prisoners of war. High school students also are employed, mostly around packing sheds. Plant pullers are paid 20¢ per 1,000 plants. A skilled worker can pull from 40,000 to 50,000 plants a day, but prisoners of war have a quota of 15,000. Pullers are paid off twice a day with money taken into the fields.



ON JUNE 15th SOMETHING WILL HAPPEN IN RADIO

Born during and matured by our nation's greatest struggle, America's youngest network has evolved a new concept of radio.

ON June 15th, the Blue Network will become the American Broadcasting Company. To live up to this name is a big order, but we think our short history proves we are up to the task.

During January of 1942, with the world at war, a group of experienced business and radio executives—men who had new ideas about the role of radio in a democracy—began to operate the Blue Network as an independent network.

During the next three years, whole nations were engulfed and enslaved. Freedom of speech was denied millions. During these three years, radio assumed mounting responsibilities to 130,000,000 American people—and this new network earned to take the momentous in its stride.

*Never did so many need
to know so much*

Out of its tumultuous existence, the Blue Network formulated a new concept of public service in radio: a daring new version of "freedom on the air." We picked newsmen and commentators with experience and a sense of responsibility—and then let them express their own opinions. We review their scripts only for good taste and for competent news au-

thority—not for censorship; because we believe that no man is wise enough to know what the public should, or should not, hear. We trust the American people. Experience has proved that, given the facts, they will make sound decisions.

Entertaining a Nation

Radio serves a great function by bringing relaxation and entertainment into the homes of our people. We, therefore, have an obligation to bring to them good entertainment—the best possible.

During the past season, listeners to this network have regularly heard

Ethel Barrymore • Charlotte Greenwood • Guy Lombardo • Ford Motor Early American Dance Music Quiz Kids • Walter Winchell Baukhage Talking • Sammy Kaye Famous Jury Trials • Drew Pearson • My True Story • Time Views the News • Arlene Francis Alan Young • William Bendix

Also presented were such outstanding programs as the Metropolitan Opera, America's Town Meeting, the March of Time, and the Boston Symphony. The first organized broadcast of the famous Herald-

Tribune Forum, and conferences on international security organized by Sumner Welles and Orson Welles, were some of the special features. Regular programs were created by and for labor, management, the Army Air Force, and the Navy.

A Young Network Comes of Age

Growth came fast to this youngest of America's networks. As a result, the network that started in 1942 with 116 stations now has 196 stations coast to coast. Over 22,000,000 homes in America can tune in to the programs that originate on this network, and if you add together the audiences of our various shows over a period of a week, the total is 475 million people. People to whom radio listening is a vital part of their lives. This is the dimension of our opportunity and responsibility.

A Pledge to Tomorrow

The challenging years ahead will, we feel, bring new significance to our ideas which have already served the country. So we rededicate ourselves and all our facilities to the constant alerting of the minds of our people . . . to finding and presenting new shows and stars of tomorrow. For only by giving America all the unbiased facts, and by giving them the best in the field of entertainment, can we continue to live up to the great responsibilities which are those of a radio network serving a great nation.

American Broadcasting Company

To men who have been looking for a better
Heat Transfer Unit—Cook now offers the

NEW Transpyro PRIMARY CONVECTOR

**4 times more effective
THAN ORDINARY HEAT EXCHANGERS**

The new Transpyro Primary Convector is new in engineering principle, new in design and has a score of advantages and features that will be welcomed by men who have been hampered by all of the unusual problems of heat exchange units; such as size limitations, cleaning problems, leakage, etc. Here is a unit that is a direct outgrowth of the great engineering strides made at Cook Electric Company during the war, which can now be made available to all industry.

The standard unit illustrated is one-fourth the size of an ordinary tube bundle having an equal capacity. The use of polished Monel metal bellows diaphragms permits fluid to be conducted directly to the very tip of the split fins, and allows heat to transfer directly through a very thin section of an enormous area, providing a maximum amount of primary convection surface. Because of its compactness and efficient utilization of all space, one-fourth as much processing and cooling liquid is required, resulting in quicker action with less cooling or warm-up time. The gyrating liquid action within the bellows insures a turbulence over the polished Monel which in conjunction with the flexing of the bellows eliminates sedimentary deposits on the convection surface, assuring non-corrosive continuous performance at highest efficiency.

Transpyro's novel circulating system, its design for prevention of air lock, its leaktight performance and its accurate capacity ratings by means of extensive laboratory tests and metallurgical data, presents other features too lengthy for detail here. Why not write Cook Electric Company today for literature, or have a Cook field engineer call on you for a discussion of your problem.

Patents Pending

A Product of the MagniLastic Division of

COOK ELECTRIC



Company

2700 SOUTHPORT AVENUE • CHICAGO 14, ILLINOIS



AT THE TOP

Republic Steel's new president C. M. White, adventuresome veteran of many years in the steel industry, White joined Jones & Laughlin in 1915, two years after graduating from the University of Maryland. When Tom Girdler left to head up the newly formed Republic Steel in 1930, White went along, was made assistant vice-president in charge of operations, then elected vice-president in 1935. He succeeds R. J. Wysor, who will supervise Germany's metal industry.

the Navy Dept. The bill, suspected by opponents to have Navy Dept. sponsorship, is opposed by Delegate Farrington, Secretary Harold L. Ickes and Gov. Stainback.

The territory is financed largely by an 0.25% tax on gross volume of business. Average peacetime annual income was \$20,000,000. Today's boom, however, swelled this to \$100,000,000 in 1944. Another mark of prosperity is the net increase in bank deposits for last year—\$127,727,000, which swelled the total from \$345,148,000 in 1943 to \$472,000,000—or \$945 per capita. In 1941 the total deposits were \$152,761,639—or \$333 per capita.

Sales of "E" bonds in Hawaii topped all states and other territories with \$372.56 per capita for the period between May, 1941, and October, 1941. Thereafter the District of Columbia edged into first place.

• **Reaching Into the Air**—Air service across the 2,200 miles of ocean to Honolulu will, in the future, compete

How a U. S. Warship won a tank battle

It happened during the invasion of Sicily...

U. S. troops had landed. Before they could get tanks and artillery ashore, Goering's Grenadiers staged a savage tank attack.

Suddenly, five-inch shells began bursting among the surprised Nazis. Tank after tank was picked off with deadly accuracy, and the remaining tanks scurried for cover. Goering's Grenadiers had suffered a sound thrashing.

And somewhere out in the Mediterranean the jubilant gunners of a U. S. destroyer polished up their 5-inch "DP" guns—and decorated their ship's trophy panel with silhouettes of Nazi tanks!

"DP" is the Navy designation for *Dual Purpose*. Those five-inch guns can fire at surface targets, but they are equally deadly antiaircraft weapons.

The secret of their ability to perform



either task with devastating efficiency is the Navy's system of fire control, based on a number of precision instruments and controls. The "Brain" of the system—an incredibly nimble, accurate, and tireless one—is the *Computer*, located far below decks where it is protected by heavy armor plate.

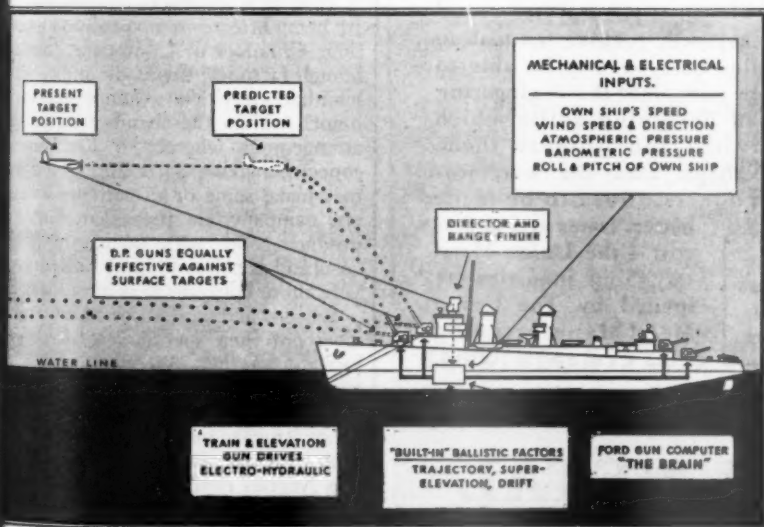
The *Computer* was developed over a period of years by the Ford Instrument Company, a division of Sperry Corporation, working closely with Naval engineers. In use, this device receives a bewildering aggregation of fire-control data

from a Rangefinder, a Director, and other precision instruments.

In a split second it automatically solves mathematical problems that would occupy a mathematical wizard for hours. The solution of the problem is transmitted to the ship's batteries through the "brawny arms" of Electric Hydraulic Gun Drives which train and elevate the guns and keep them on the target.

And that is why gunners of the U. S. Navy can lay a string of hot bursting, high-caliber projectiles along the path of an enemy bomber or torpedo plane... as well as pick off a tank miles away on shore.

That's why our Navy is the fastest, straightest-shooting Navy in the world!



SPERRY

CORPORATION

30 Rockefeller Plaza, New York 20

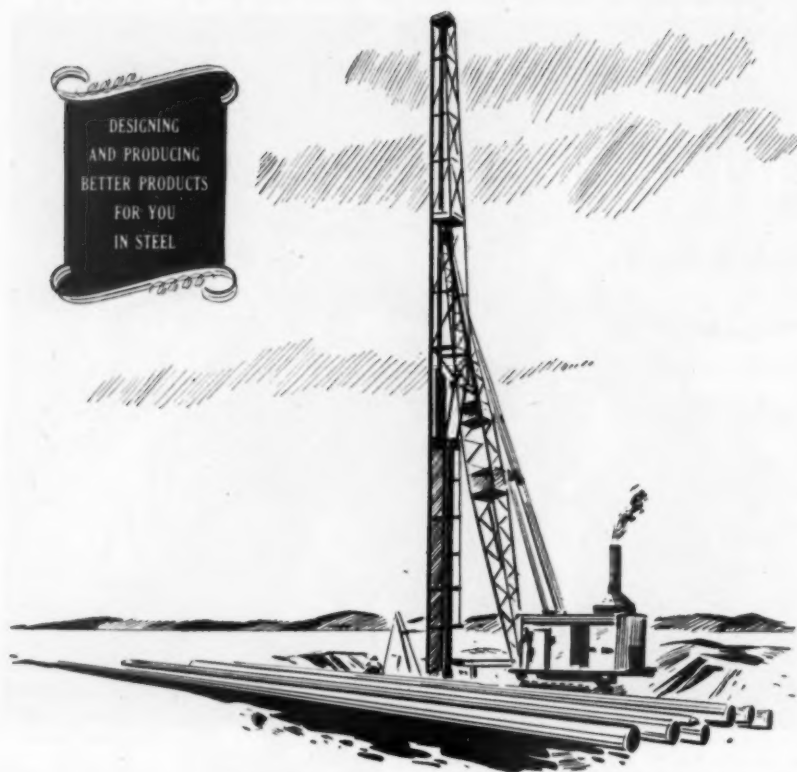
FORD INSTRUMENT CO., INC.

SPERRY GYROSCOPE CO., INC.

VICKERS INCORPORATED

Waterbury Tool Division, VICKERS INC.

How the Ford Gun Computer helps make the Navy's fire-control system equally effective against aircraft and targets on land or sea.



Look what happened when a steel pole was "planted" upside down!

FOR 36 years . . . even while producing at full capacity for industry and war . . . Union Metal has always devoted a generous share of its design talent to the development of new products.

Take Union Metal's widely known "Monotube" piles for example. They've proved a boon to time-saving, cost-conscious construction men all over the country—because they do an *old* job in a *new* and *better* way.

Adapted by Union Metal engineers from a successful design principle used in the construction of tapered steel poles for street lights,

transmission lines and radio antennas, Monotube piles are lighter to handle, simpler to drive and easier to inspect. A very special refinement permits their quick extension on the job without waste of materials.

Of course you may never need a tapered, tubular foundation pile—but you may be able to use *with profit* the engineering and designing skills which created and produce them. Perhaps, after the war, *your* products, too, can be made

better, faster and at less cost—the Union Metal way. Your inquiries are invited by The Union Metal Manufacturing Co., Canton 5, Ohio.

**BUY MORE
WAR BONDS
and
keep them**



UNION METAL
Craftsmen in Steel Fabrication

with a former monopoly held by the sleek ships of the Matson line.

Matson has applied to Civil Aeronautics Board for a franchise for planes, but since the attitude of the Dept. of Justice and the Civil Aeronautics Board favors nonship owners for air lines, observers are betting on other applicants, such as the Hawaiian Airways, which offers to dissociate itself from Inter-Island S. S. Co. If it does so, new money will probably be supplied by Walter F. Dillingham (director of American Factors), who owns the Hawaiian Dredging Co., the Oahu railroad, and much real estate.

Pan American is operating planes to Hawaii now for the Navy and will be another active applicant. Rates as low as \$96 one-way from San Francisco have been talked of.

• **Housing Shortage**—No one seems able to explain why something effective has not been done to ease the housing shortage. The Navy, which made possible an adequate food supply by providing ships to carry it, has been strangely uninterested in housing. Lorin Thurston's Honolulu Advertiser has taken paid space in Washington newspapers to stir up action.

Although Gov. Stainback and Delegate Farrington claim they have plans, little has come of them. At the end of April, National Housing Administrator John B. Blandford, Jr., sent two government housing experts to Honolulu to see what could be done.

Lack of materials and carpenters is surpassed by lack of land. In his February report the governor asserted that private capital was helpless to build because land-holding monopolies on Oahu have raised prices beyond reason.

KEEPING WAR SUBS BUSY

War subcontractors in Los Angeles are being fitted into a postwar picture by their Chamber of Commerce. Seeking branch factories, this body finds eastern manufacturers who cannot finance a branch. Then the chamber suggests an arrangement whereby a Los Angeles concern, making parts during the war, may make some or all parts for an eastern company, do the assembling, and produce goods with savings in freight costs and at prices to meet western competition of concerns that have branches.

Eastern and western concerns have to work out their special deal after being brought together. An eastern steel furniture plant wanted complete manufacture on the Coast and hooked up with a Los Angeles metalworking concern.

A hydraulic pump company found a Los Angeles concern to make the heavy castings for its line and assemble the product with smaller parts shipped from

held by the line. Civil Aero- for planes the Dept. Aeronautics for an on other Hawaiian A- ciate itself. If it does be sup- gham (d- who own the Oahu- ing planes and will Rates a Francis-

seem- ing effec- ease the y, which od supply has been ing. Los- rtiser has on news- and Dele- ve plans- ve end of- ministrat- o govern- ulu to see-

enters is- is Febru- that pri- uld be- on. SY Angeles- ctured by- Seeking- eastern- nance a- 45%, mil- gists an- Angeles- he was- an east- ing, and- freight- n com- nches- ave to- 1945, p. 52), a specialist in the U. S. Dept. of Agriculture inadvertently picked up the wrong figures for the harvest in the five leading vegetable seed crops. The resulting incorrect paragraph, brought to Business Week's attention by the editor of Seed World, should have read:

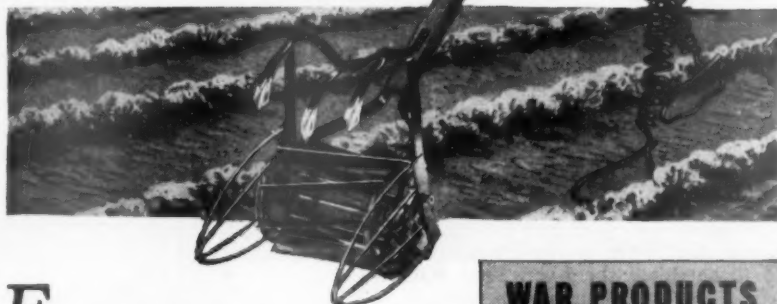
Carrot seed, grown mainly in Arizona and California, totaled 4,439,000 lb. in

BUSINESS WEEK • June 9, 1945 41

More and Better Victory Gardens

The Easy GARDEN RAISER*

made with **KEYSTONE Wire**



EVERY garden today is a food arsenal . . . vitally important for replenishing our depleted food supplies. In thousands of victory gardens you find the Easy Garden Raiser* performing sterling duty. This favorite cultivator is ten times faster than a hoe . . . much easier to use . . . saves valuable time.

The efficiency of the Easy Garden Raiser* is matched by its sturdy construction . . . reason enough why durable Keystone wire is used. Whatever the wire need, Keystone wire "fills the bill."

*"Easy" and "Dandy Boy" Garden Tools are manufactured by The Midland Company, South Milwaukee, Wisconsin.

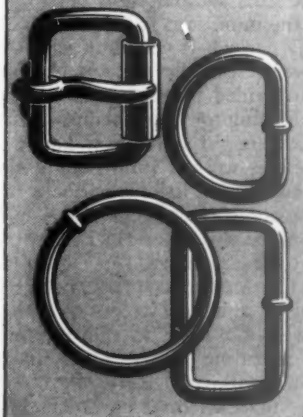
KEYSTONE STEEL & WIRE CO.

PEORIA 7, ILLINOIS



WAR PRODUCTS

Keystone wire finds its way into numerous buckles, rings, and other hardware for life jackets, rifle scabbards and other material . . . also manufactured by The Midland Company.



1944, as compared with 1,198,000 lb. in 1939. Onion seed, grown all over the West, amounted to 2,503,000 lb. in 1944 (414,000 lb. in 1939); beets, grown in California and Washington, 5,174,000 lb. (2,160,000 lb. in 1939); turnips, in the Pacific Northwest, 4,051,000 lb. (1,035,000 lb. in 1939); cabbage, 1,993,000 lb. (475,000 lb. in 1939).

Military Secret

Philadelphia loading depot revealed as reason for closing of airport. City will soon regain the field and have a new one, too.

The public has just been let in on one of the war's best-kept secrets, that one of the world's largest munitions depots has been located in Philadelphia.

The depot, at the Hog Island shipyard site of World War I, was the hidden reason for the closing of the Philadelphia Municipal Airport on Dec. 23, 1943 (BW-Jan. 29 '44, p. 45). The only announcement then was that the airport was a "military hazard." There was no hint that large-scale loading of "ammo" for the European theater was the real cause.

• **Safety Measures**—Most dramatic were the new handling methods developed to insure safety. The facility was so planned that little or no ammunition had to be stored there very long. Rail cars, after expert inspection outside the depot, were pushed alongside the ships from a vast track network, and the cargo was fed into the vessels. Cars awaiting unloading were dispersed behind embankments to limit the effect of possible explosions.

If a rail car looked "suspicious"—if the seals showed signs of tampering or if the munitions appeared to be improperly packed—it was shunted into one of several specially constructed buildings, surrounded by earthen revetments.

• **Fishing for Booby Traps**—Lest the car doors might have been booby-trapped, soldiers worked from behind the revetments, using ingenious hooks to unlock the doors. Other apparatus would detect time bombs if any had been placed in the undercarriage.

On one occasion, a service plane making an emergency landing at the airport lost a motor, which fell within 200 ft. of a loading ship. Another time a plane came within 60 ft. of one of the piers, at night, before the pilot discovered that it was not the landing strip he was seeking. There was no doubt about closing the airport after that.

• **A Lot of Tonnage**—During three years of operation, more than 1,300,000 long

tons of munitions were shipped from Hog Island. In the first five months of 1945, 443,416 tons of "ammo" left the port compared with 739,660 tons for all of 1944.

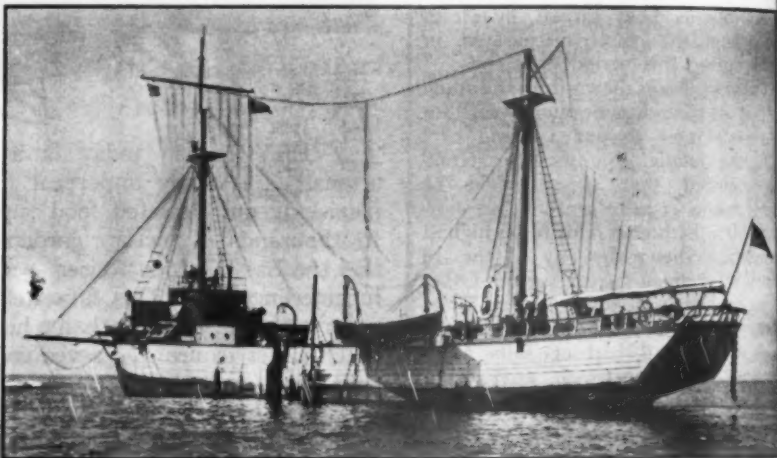
From Oct. 1, 1943, until Apr. 30, 1945, 236 ships were loaded, including 28 in March alone. As many as six ships were loaded at one time.

After the closing of the facility, which is imminent, Philadelphia will have two airports in operation, the old Municipal, now renamed the Southwest, and the new Northeast, due to be in service by July (BW-May 19 '45, p. 44).

• **End of Air Isolation**—This will end Philadelphia's virtual isolation from the airlines. In the past 18 months, the nearest service to the city was provided by six daily flights by TWA from Reading's airport and two daily flights by United Airlines from the Allentown-Bethlehem port. Each of these airports is 50 miles from the city.

It is likely that most of Philadelphia's air emphasis will be on the Southwest Airport after word is given to open it. A large part of the trained personnel being hired for Northeast will be transferred there. All five airline leases are intact.

Elaborate expansion of the Southwest airport has been suggested by the Chamber of Commerce and Board of Trade.



HOLLYWOOD'S OLD LADY KEEPS VIGIL

The Navy's most famous ship, the windjammer *Metha Nelson*, poses for its first service picture at the entrance to Los Angeles harbor. The ancient three-masted, seen by millions of moviegoers when Capt. Bligh stalked its bridge in "Mutiny on the Bounty," by millions more when Errol Flynn fought on its decks in "Captain Blood," has a comparatively unspectacular role under Navy direction. It's an identification ship now, to which all ships going in and out of Los Angeles harbor must report—a security measure against sabotage. Its commander is no make-believe seadog but Lt. Leo O'Brien who has chalked up 27 years in the Navy, the past 16 months' supervising the schooner's Negro crew—a crew bored with riding out the war on a former Metro-Goldwyn-Mayor prop which hasn't been anywhere because it's anchored.

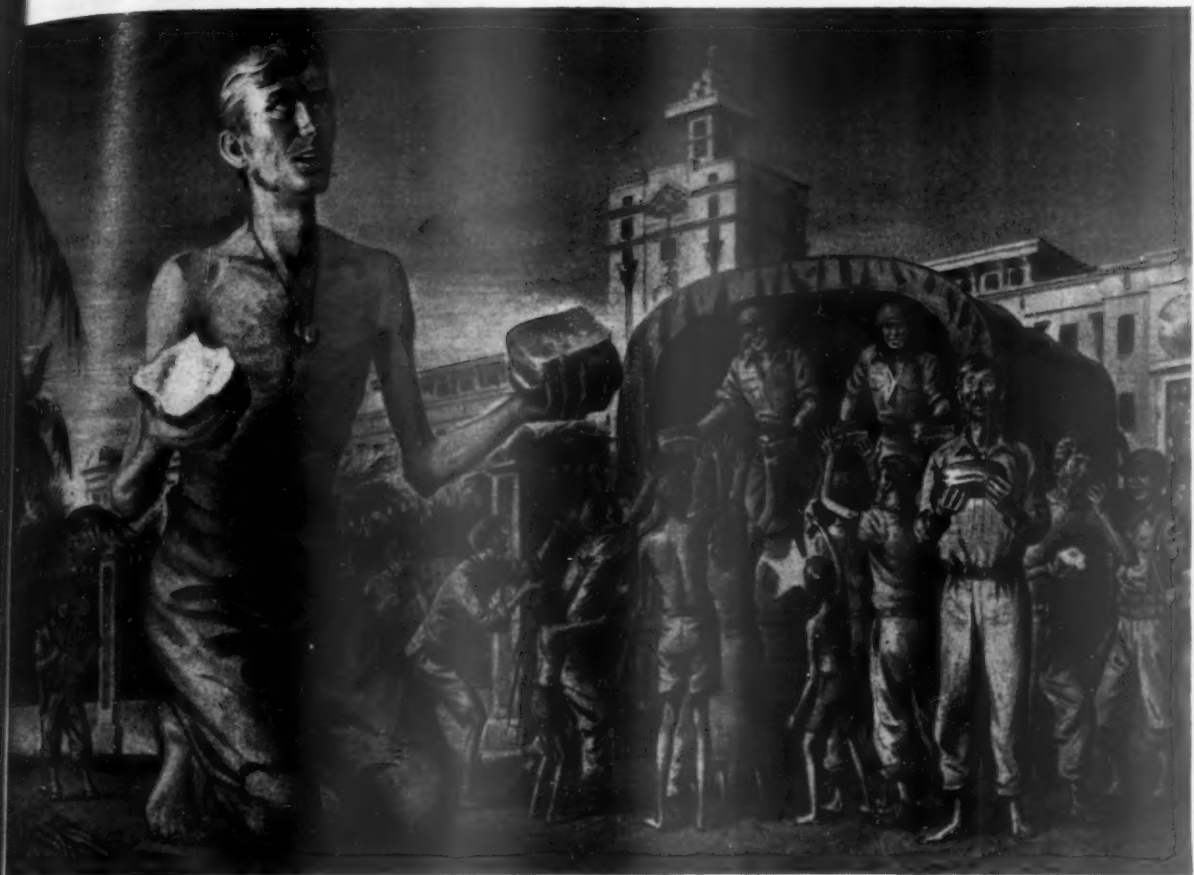
Within the Law

Glass container institute gets Justice Dept. approval of support by defendant companies in patent antitrust suit.

Setting up a national trade association to include participation and support by firms which the Supreme Court has prohibited from membership in any such group is a neat piece of work. It was done by counsel for the new Glass Container Manufacturers Institute comprising 25 glass container manufacturers who were not defendants in the Hartford-Empire antitrust suit which terminated in a Supreme Court ruling abolishing the Glass Container Association (BW-Jan. 13 '45, p. 20).

• **Justice Dept. Approves**—The new setup was approved by U. S. District Judge Frank Klob of Toledo in granting a petition filed by the institute's attorney, Fred E. Fuller of the Toledo firm of Welles, Kelsey, Coburn & Harrington. The arrangement was effected with the advice and consent of the Dept. of Justice.

Informed sources believe that the government attorneys were convinced



Freedom... and white bread

Freedom... for the first time in more than three years, the gates of Santo Tomás prison are unguarded. Hundreds of gaunt, baggard men... tired women... move through them... to freedom. • There is a truck near the main gate. They crowd about it, stretching their hands out eagerly for food... and tears stream down their cheeks as the G.I.s hand them loaves of bread. One prisoner breaks a loaf, looks at it incredulously in the early morning light, then sinks to his knees... • "White Bread," he whispers. "Freedom and white bread."

YES, these are the words on thousands of lips as captive men and women the world over again find freedom. "Freedom and white bread," for white bread is a symbol of home, of the pleasures of living... of freedom from disease from hunger, from want.

Wheat bread. Wheat from the fields of America. Wheat that moves to the milling centers of our country where it is milled into flour with almost incredible speed... carried to the seaports of both coasts to begin the ocean voyage to every battle front... where in thousands of G.I. kitchens it will become that universal symbol of freedom — white bread.

To provide a barrier against hunger for the armies, the men, women and children of all countries, the American Milling industry has increased its output in spite of unprecedented difficulties... a feat that will be remembered as one of the major accomplishments of our time.

★ ★ ★
Bags are traditional containers for the miller's products, and for many years, Bemis has been a major supplier of bags to America's great flour milling industry.

Bemis makes bags of almost limitless types and sizes for hundreds of different uses. Almost everything you eat, use or wear may make at least part of its trip to you in a Bemis Bag.

BUY BONDS BY BUYING BONDS

BEMIS BRO. BAG CO.

GENERAL OFFICES: ST. LOUIS



Burlap, Cotton and Paper Bags

23 PLANTS THROUGHOUT THE COUNTRY

LOWER DISTRIBUTION COSTS

...and ACME UNIT-LOAD STRAPPING

The flow of materials in and out of your plant . . . before and after production . . . from the raw material stage all the way to the customer's door . . . represents an important factor in the cost of distribution. *Efficient methods of handling materials can point the way to lower distribution costs.*

When products or containers are steel strapped in volume to pallets or skids to form large units . . . that's efficient materials handling. Warehouse space and manpower are conserved. Loading and unloading is speeded. Product protection is multiplied. *Distribution costs are lowered.*

Acme Unit-Load Strapping will provide the same economies for peacetime distribution as those gained by the Armed Forces in speeding the flow of wartime goods through pallet loading.

ACME STEEL COMPANY

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**ACME STEEL CO.
CHICAGO**

that unless they agreed to the plan, the largest companies, which were the defendants in the Hartford case, would be in a position to exercise more domination over the industry than even to the extent of dictating industry-wide container specifications and standards, formerly developed cooperatively through the old Glass Container Assn.

The firms which were forbidden by the Hartford decree from forming or joining any glass trade association for a period of five years were: Hartford-Empire Co., the machinery, engineering, and patent-holding company; Owens-Illinois Glass Co. and Hazel-Atlas Glass Co., the two largest producers in the industry; Thatcher Mfg. Co., the leading milk bottle supplier; and Ball Brothers Co., the leading fruit jar manufacturer.

• **May Contribute Data**—Obvious to founders of the new institute was the fact that without some *modus operandi* whereby these five concerns could participate in essential group activities, successful organization would be impossible. Every detail of the institute's setup was checked with the Justice Dept.

This finally led to the request that the companies under the Supreme Court's interdict be allowed to contribute statistical data (specifically excluding prices, and methods or speeds of operation) and to have technical representatives, but not members, to work with the institute's nine standing committees: market research and promotion, traffic, government-industry relations, labor relations, testing procedure, container design and specifications, package design and specifications (cartons), standards for finishes (screw threads, etc., for caps and closures), and a technical group on glass-packed products.

To help support these activities, the institute asked for the court's approval of arrangements whereby the defendant concerns could make financial contributions and pay fees for institute services.

• **Serious Misgivings**—Lawrence Apsey, special assistant to the Attorney General, told Judge Kloeb that while the Dept. of Justice had had serious misgivings, it finally decided to offer no objection to the plan, if the court should decide that it was not violative of the Supreme Court's opinion. He said that the department reserved the right to come back at any time it appeared that the nonmember participants were operating out of bounds.

FCC TESTS FM ON TRAIN

When five members of the Federal Communications Commission recently boarded a Denver-bound freight train of



COOLING HOT LIPS

FEW PEOPLE would think of comparing molten lipstick with molten steel, but they are similar in at least one important respect. The strength and texture of each depend to a great extent upon how carefully it is cooled.

Precision cooling is especially important in the molding of lipstick. If cooled too fast, it is likely to be brittle. If cooled too slowly, it may become sticky. General Electric Industrial Refrigeration makes sure that it is cooled just right . . . to the right temperature . . . at the right speed.

It's one of countless industrial and commercial applications of refrigeration and air conditioning which are helping—and can help—to improve

products or services, to lower production costs, to reduce absenteeism. In your plant, will control of temperature or moisture content improve the product or speed processing? Do you have places where you need local or spot cooling? Or will temperature and humidity control of storage space provide economies in handling or working of raw and finished materials?

Then take advantage of G-E's specialized experience in temperature-humidity engineering, and its vastly improved equipment.

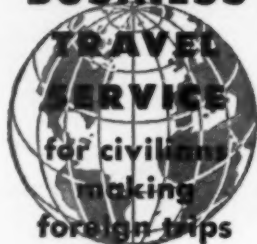
General Electric Company, Air Conditioning and Industrial Refrigeration Division, Section 5866, Bloomfield, New Jersey.

GENERAL  ELECTRIC
Industrial Refrigeration

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WAR BONDS**

Tune in: The "G-E HOUSE PARTY" every afternoon, Monday through Friday, 4 p. m., E W T, C B S . . . The "G-E ALL-GIRL ORCHESTRA," Sundays, 10 p. m., E W T, N B C . . . "THE WORLD TODAY" News, Monday through Friday, 6:45 p. m., E W T, C B S

BUSINESS



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Makes Light Work Out of Tough Sweeping Jobs

Steel back of Speed Sweep brushes is the basis of unique construction for faster, easier, better sweeping. Block is $\frac{1}{2}$ usual size—easier to handle. Tufts of longer, better fibres are more compact—provide "spring and snap" action. Handle instantly adjustable to height of sweeper—reduces fatigue and strain. Speed Sweep brushes are built to outlast ordinary brushes 3 to 1.

FULLY GUARANTEED

Since Pearl Harbor Speed Sweep brushes have proved their superiority in many thousands of factories under varied conditions. They are unconditionally guaranteed to meet your requirements. Prompt shipment on AA-5 or higher priority rating. Write for styles, sizes, and prices today.



Milwaukee Dustless
BRUSH COMPANY

534 N. 22nd St. Milwaukee 3, Wis.

WANTED: AN UMPIRE

Neck and neck down a country road in Chesterfield County, Va., two companies are racing to put up power poles along an identical 30-mile route. They are Virginia Electric & Power Co. and REA's Southside Electric Cooperative. VEPCO claims it began work May 17 and that REA started May 18. REA insists it started May 16. Since the WPB order authorizing extensions prohibits duplication, the situation is at an active deadlock. Trouble started May 12, when WPB lifted the lid to allow power companies to spend up to \$25,000 on materials for one extension. VEPCO says its plan had been approved before May 12. The co-op claims right of way dating from 1940 and is reported to have an RFC loan for \$70,000 available. WPB ruled against the co-op in a similar tangle. This time, the agency appears unwilling to umpire—figures that rural electrification is back on a pre-Pearl Harbor basis.

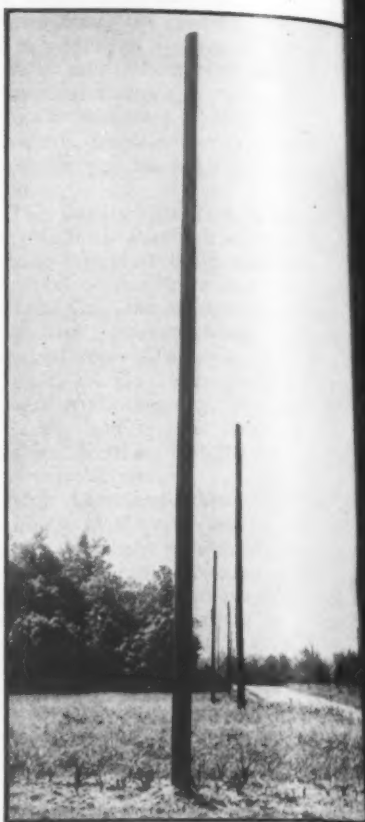
the Chicago, Burlington & Quincy Railroad in Chicago, they weren't simply going along for the ride. Throughout the trip the group observed first-hand the operation of FM radio in train control.

Chief interest of the FCC members in the demonstration was whether actual operation of FM equipment on trains would interfere with other types of radio in neighboring channels. Monitoring stations along the Burlington route kept tabs on this freight train operation and were said to have reported that no interference was detected.

FCC has assigned more channels for exclusive railroad use than for any other new radio service. Up to now most voice-communication experiments in main line train control has been with induction equipment using rails or wayside wires.

SHALE PROJECT TO START

Mining operations in the oil shale cliffs near Rifle, Colo., will begin this month although the \$1,500,000 plant which the U. S. Bureau of Mines will build to experiment in synthetic liquid fuels (BW-Mar.3'45,p68) hasn't been started. A 3-ton portable compressor, borrowed from a helium plant and hauled to the mine site by tractor, will permit mining to begin.



An 8-mi. truck trail must be built through the foothills before heavy equipment can be hauled in. To get the shale from mine to plant, an aerial tramway a mile and one-half long is planned. Meanwhile, the lack of housing facilities has delayed staff appointments.

Plans for two more demonstration plants, one possibly in Alabama, to develop liquid fuel from gases, are still indefinite.

ARMY ORDERS GLIDERS

When the Curtiss-Wright Corp. vacates the Louisville (Ky.) war plane plant in which it has been assembling C-46 cargo ships, the factory may be taken over by Laister-Kaufman Aircraft Co. of St. Louis, for the manufacture of giant gliders, under a lease with Defense Plant Corp. The lease is now being processed in Washington.

Curtiss-Wright is expected to vacate the premises on Aug. 1 because of Army cutbacks. It is reported that Laister-Kaufman is looking forward to postwar manufacture of planes and gliders in Louisville. The gliders which will be built in Louisville for the Army are reported to have a wing spread of more than 100 ft., with capacity for 100 men, or such equipment as a 24 ton truck and its crew.

CONTROL makes short work of **TERMINATIONS**

TERMINATION PROCEDURE FOLLOW-UP			
1 DATE OF STOP PRODUCTION ORDER	3/5/45	9 CLAIM FILED	3/19/45
2 SPC-PURCHASING DEPT.	3/6/45	10 CLAIM FOLLOWED	4/3/45
3 SPC-SHIPPING DEPT.	3/7/45	11 INVENTORY DISPOSAL INSTRUCTIONS	4/10/45
4 SPC-TOOL DEPT.	3/9/45	12 CLAIM APPROVED	4/10/45
5 SPC-PRODUCTION DEPT.	3/12/45	13 CLAIM INVOICED	
6 SPC-TERMINATION STORAGE	3/14/45	14 INV. DISPOSAL INST. ISSUED	
7 TERMINATION INVENTORY LIST	3/12/45	15 CLAIM RECORDED	
8 SCRAP VALUATION-SALVAGE DEPT.	3/15/45	16 DATE PAYMENT RECEIVED	

NAME	1-2-3-4-5-6-7-8-9-10-11-12-13-14-15-16
John Doe Company	56840
Albert Stites Corporation	43535
Anderson & Williams Company	37091
Crawford Mfg. Company	39802

P. R. MALLORY & CO., INC. knows how to avoid delays, speed settlements...Key to their operation is effective use of **KARDEX VISIBLE** Record Control

● Precision electrical and electronic parts produced by P. R. Mallory & Co., Inc. of Indianapolis will play an enormous role in peace, as they do in war.

But a first essential to peace-time operation is the settlement of terminated war contracts. To eliminate lost time, protect assets and obtain early payments, P. R. Mallory employs a very fine Kardex contract termination record and procedure follow-up control.

The follow-up record provides a history of the sixteen steps incident to each termination. On the visible mar-

gin the exact status of any settlement is revealed at a glance, each stop being checked off as it is accomplished. Follow-up on the next operation is controlled by the colored signal on the 1-to-31 day scale. Termination records for vendors follow each contract card,

centralizing all data for ready reference and orderly procedure.

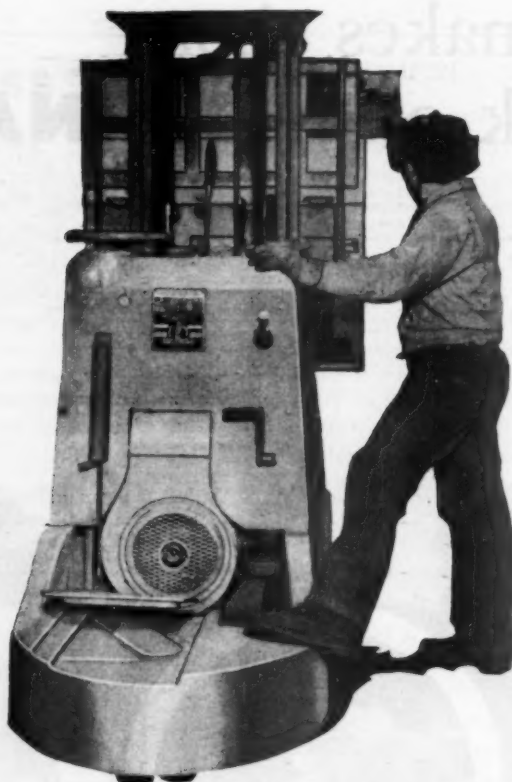
Correspondence and other pertinent papers are wisely protected from fire in Remington Rand Safe-Files upon which the Kardex Cabinets are placed, and are filed in our Follow-up Folders that operate as a double check.

Our wide experience in furnishing effective contract termination controls will gladly be placed at your service through our nearest Branch Office.

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REMINGTON RAND
 Buffalo 5, New York

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WAR BUSINESS CHECKLIST

**A digest of new federal
regulations affecting priorities,
price control, and transportation.**

Revocations and Relaxations

Continuing its program of easing production and distribution controls, WPB last week revoked or relaxed restrictions of the following orders:

CMP Materials—CMP Regulations 1 and 4, amended to "open-end" Controlled Materials Plan for deliveries of brass mill products on unrated orders five weeks in advance of the July 1 date set for the general release of controlled materials on unrated orders.

CMP Regulation 4, Direction 4, amended to increase the amount of copper wire mill products for which a warehouse may enter replacement orders each month from 25% to 33 1/3% of deliveries made from stock in the second quarter of 1944.

CMP Regulation 5, Direction 25, amended to permit a person who is planning to make a product he is not now producing to use ratings and symbols to obtain maintenance, repair, and operating supplies (MRO), jigs, dies, and fixtures for reconversion to civilian production in advance of actual production.

Order M-11-1, controlling distribution of zinc dust, revoked.

Construction—Order P-141 amended to permit construction of public sanitary sewerage facilities involving up to \$25,000 worth of materials without WPB approval. Formerly, such construction was limited to a materials cost of \$1,500.

Machinery and Equipment—Order E-1-b amended to remove all special controls over production and distribution of machine tools having a retail sales price of less than \$1,000.

General Preference Order E-10 amended to permit producers of antifriction bearings to fill unrated orders provided that delivery dates on rated orders are met, as required by Priorities Regulation 1.

Order L-42, Schedule V, restricting use of copper and copper base alloy in plumbing fixture fittings and trim, revoked.

Order L-97-d, scheduling critical locomotive component parts, revoked.

Order L-107, restricting delivery of lightweight extended-surface heating equipment to rated orders, repair orders, or orders accepted before Aug. 7, 1943, revoked.

Order L-237, covering machine tools selling for \$500 or less, revoked.

Order L-248 amended to remove restrictions on volume of production and types of commercial dishwashers.

Order M-11-b, Direction 1, allows an additional 20% of the amount of zinc used in the fourth quarter of 1944 for applying protective coatings or platings (other than paint) to products not on List A or List B.

Order M-293, Table 14, Direction 1, amended to remove restrictions on the

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The Lonesomest Elevator Man

WHEN THE WISEACRES in Furniture (7th Floor) are saying, "You could shoot off a cannon and not hit anybody," Mr. Featherstone is sad and just about the loneliest man in town.

Mr. Featherstone likes people . . . especially customers. He is at his happy best when crowds of them are elbowing their way into his elevator.

For Mr. Featherstone is a man of simple logic. Crowds in a Department Store spell business. Business means profits. Without profits there are no bonuses, no raises.

But, as you well know, there are no crowds of customers when the temperature soars and humidity waterlogs the air . . . unless air conditioning is on the job. Good air conditioning

turns hot weather shopping from a chore into a pleasure. Everybody benefits—the customers, the salespeople, the owner . . . even the elevator man. This has been proved in thousands of Carrier air conditioned stores.

Air conditioning, as Carrier does it, is a highly specialized art. It provides air that is fresh and clean. This air is gently and draughtlessly distributed—and the temperature and humidity are carefully controlled, constantly . . . winter and summer.

To do all this and do it well requires skill that is not common or easily acquired. It calls for a specialist.

For 43 years the Carrier organization has been exclusively devoted to

creating the finest in air conditioning and refrigeration.

Throughout the war period, Carrier has been privileged to expand still further the usefulness of air conditioning and refrigeration . . . in the service of our country.

Accordingly, Carrier will be ready tomorrow to serve you even better, in your home or office, in your plant, in your favorite store.

Carrier Corporation, Syracuse, N.Y.



AIR CONDITIONING • REFRIGERATION



Special Designs

To meet special needs of certain industries, H & D Package Engineers have utilized the strength, durability, economy and light weight qualities of corrugated board for many types of products. The unique shipping box illustrated combines efficient storage, quick set-up, easy handling and adequate protection with distinctive appearance. Note how the octagon angle construction provides high rigidity and how well the company's trade mark is printed on the smooth exterior surface. However unusual your product may be, H & D can prepare a special box to meet your requirements.



H & D Post-War Packaging Idea—OCTAGON BARREL

The octagon barrel is an example of package engineering at its best. A problem was presented and H & D Package Engineers solved it with a package that not only met the necessary requirements but also provided a number of "extra" values in addition. H & D's book, "How to Pack It" is full of packaging ideas for every type of product. Send for your copy—today.

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Davenport, Iowa.
Blumenstein & Co.
New York, N. Y.
Cherry Rivet Co.
Los Angeles, Calif.
The Dayton Rubber Mfg. Co.
Dayton, Ohio
Falls Spring & Wire Co.
Attalla, Ala.
General Motors Corp.
(Two plants)
The Kelly Plating Co.
Cleveland, Ohio
McDowell Mfg. Co.
Millvale, Pa.
The New Haven Clock Co.
New Haven, Conn.
The Plastic Wire & Cable Corp.
Norwich, Conn.
The Puritan Knitting Mills Co.
Altoona, Pa.
J. L. Stuart Mfg. Co.
San Francisco, Calif.
The Vollrath Co.
Sheboygan, Wis.

(Names of winners of the Army-Navy and Maritime Commission awards for excellence in production announced prior to this new list will be found in previous issues of Business Week.)

manufacture of low-pressure steel boilers intended for stock. Table 11 amended to relax restrictions on shipbuilding components.

Consumer Goods—Order L-23-c amended to remove production restrictions on accessories and bright work for nonelectric domestic cooking and heating stoves.

Order L-30-b, controlling production of specified items of enameled ware, revoked.

Order L-30-d, restricting use of iron and steel in such articles as carpet sweepers, can openers, garment hangers, dust pans, and wash boards, revoked.

Order L-30-e, controlling production of aluminum cooking utensils, kitchenware, and household articles, revoked.

Order L-140-b, controlling production and distribution of table flatware and hollowware, revoked. Use of stainless steel remains subject to Order M-21, Direction 2.

Order L-157, Schedules I, II, IV, V, and VII, limiting production of certain hand tools, revoked. All other applicable WFB orders continue in effect.

Order L-185, controlling production of water heaters, revoked.

Miscellaneous—Order L-28-a, which specified types and voltages of incandescent



ARTERIES OF RUBBER...

TO AN American boy, hose used to mean watering the lawn, or washing the family car, or envying the firemen with the high-pressure lines.

Today, hose has a new meaning for all those boys.

For hose is a fighting weapon... a versatile and vital tool of war. On land, at sea, and in the air, these rubber arteries are serving in indispensable ways.

Carrying life-sustaining air to the diver, working with hose-operated torch beneath the sea... bringing oxygen to the bomber crew, 30,000 feet above the target.

Speeding the fueling of planes, tanks and vehicles... circulating the power-giving fluids to engines and motors... venting the fumes and gases.

Or helping to extinguish the consuming flames of a wounded Hellcat as it lands on carrier-deck or jungle girt air-strip... permitting fire protection aboard ships laden with ammunition.

For these and countless other services, our fighting forces require hose of every description... hose that meets and masters conditions unimagined four short years ago. Bullet-sealing hose for gas lines... hydraulic hose to give the bulldozer its crushing strength... hose specifically engineered to handle air, gasoline, steam, noxious gases, acrid chemicals.

The list is far longer. Yet, thanks to the efforts of scientists, researchers, engineers in the prewar days, each need of our arms has been met.

Royal Garden Hose, and other U.S. Rubber products you chose years ago helped make possible "rubber arteries of war". Your purchase helped put men to work. It helped erect special machines and buildings to produce hose. Under the impact of war, these men have developed new and revolutionary opportunities for service tomorrow... when our way of life changes again... changes for the better.

SERVING THROUGH SCIENCE



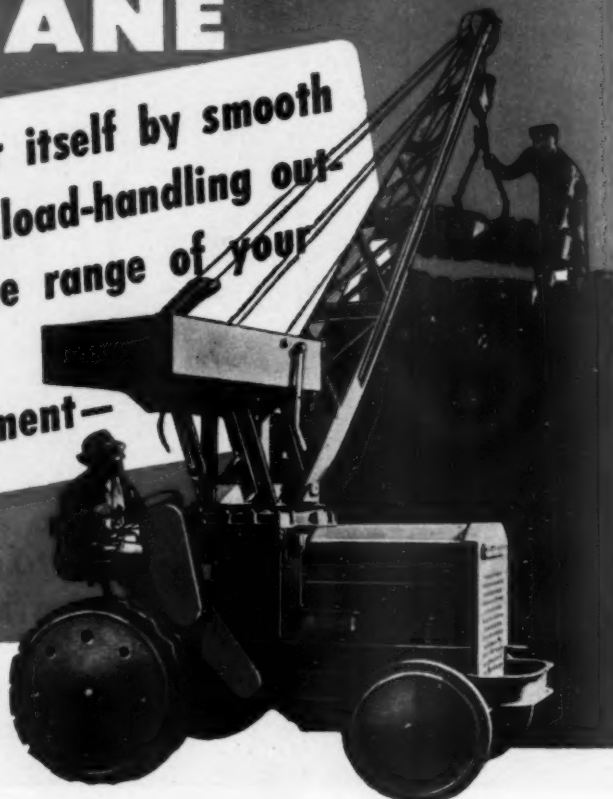
Listen to "Science Looks Forward"—new series of talks by the great scientists of America—on the Philharmonic-Symphony Program. CBS network, Sunday afternoon, 3:00 to 4:30 E.W.T.

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POST-WAR competition is going to call on you for greater efficiency and lowest possible costs. That means the speed and economy of machine power, which hundreds of Roustabout Crane users in many industries have found in this handy powerful load-handler. Ready for instant use where needed, it moves, loads, stacks heavy stuff to 7½ tons all around your plant, prevents costly delays or shifting men to meet emergencies. Easy to operate, built for years of overwork—ball-bearing boom turntable, all gears in oil. Get the facts *now* on this fast-action mobile wheel or crawler crane.

Roustabout saves you time
and money on these and
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Big stuff off and on
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Roustabout Cranes

By Hughes-Keenan

Load-Handling Specialists Since 1904

fluorescent, and glow-discharge lamps that could be produced, revoked.

Order M-199 amended to remove all controls on the use of domestic silver.

Decreased Civilian Supply

Third-quarter production of matches will drop to an estimated 110,000,000 from second-quarter production of 125,000,000, WPB has announced.

Tightened Restrictions

In the textile field, all deliveries of wool blankets and blanketing made from yarns produced between June 17 and Sept. 1, 1945, have been frozen by WPB to rates of orders. During this period, manufacturers are required to produce at least the same proportion of wool blanket and blanketing as they made in the first quarter of the year (Direction 4, Order M-73.) WPB will extend priorities assistance to obtain cotton rayon, and wool fabric to be used as linings for certain clothing and textile items made under Orders M-317-A and M-388 but not otherwise provided for. Direction 3, Order M-388, revises the percentages of manufacturers' rated quotas which are applicable to deliveries of cotton, rayon, and wool fabrics during the third quarter.

• **Paperboard**—To meet increasing military requirements, WPB has fixed the monthly reserve production of paperboard at 50% of each producer's average monthly production during the corresponding quarter of 1944.

Price Control Changes

OPA has established a maximum price of 4.95¢ per lb., f.o.b. point of shipment, for zinc base-forming and stamping dies sold as scrap. A quantity premium of 1¢ per lb. is allowed on shipments of 20,000 lb. or more. (Amendment 1, Regulation 3.)

• **Cotton Fabrics**—Combed cotton fabrics in the gray and finished states, produced for the War Dept. under WPB direction of Mar. 17, are excluded from price control for a three-month period, retroactive to Apr. 16.

• **Hardwood**—OPA has set dollar-and-cents maximum prices for ungraded hardwood lumber sold by small mills in the Appalachian hardwood lumber region. (Amendment 20, Regulation 146.)

• **High-Tenacity Rayon Yarn**—When produced on equipment built or converted after Mar. 31, 1945, to carry out a WPB direction, this yarn will be exempt from price control if it is sold to or bought from Defense Supplies Corp. (Amendment 8, Regulation 167.)

Surplus Property

New and used three-blade manganese-bronze propellers have been declared surplus and are now for sale at prices ranging from \$17.33 to \$265 each. Interested buyers should apply to Materials Disposal Section, Contract Settlement and Surplus Materials Division, U. S. Maritime Commission, Washington 25, D. C.

THEY'RE SPECIFYING

"Glass!"

FOR MORE *"natural daylight"*
IN POSTWAR PUBLIC BUILDINGS



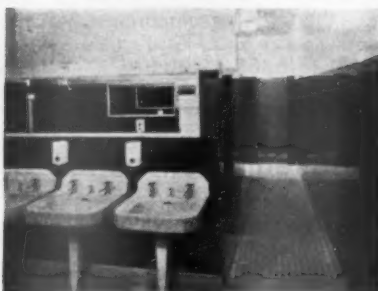
DECORATIVE GLASS adds a touch of beauty and transmits more natural daylight into this office interior.

• Tomorrow's buildings will use more and more glass because owners and architects know the benefits of Daylight Engineering. *More* natural daylight means more cheerful surroundings, happier occupants and increased efficiency.

Your Libbey-Owens-Ford Distributor can give you complete facts about Thermopane—the new L-O-F transparent insulating glass unit for better windows. Let him explain to you the advantages of Tuf-flex doors, Vitrolite for interiors and exteriors. Heat Absorbing Glass, Frosted Aklo for industrial glazing . . . and for those important touches, Polished Plate Glass for fine mirrors and Blue Ridge Decorative glasses. He is listed in the yellow pages of your telephone directory. Phone him today. Libbey-Owens-Ford Glass Co., 1965 Nicholas Building, Toledo 3, Ohio.



FINE MIRRORS of Polished Plate Glass brighten interiors as in this view of The Patio, Carew Tower, Cincinnati.



GLEAMING VITROLITE provides a colorful, sanitary, easy-to-clean wall surface for public toilets and rest rooms.



THERMOPANE INSULATES the Business Institute of Milwaukee against winter cold, summer heat and noise the year 'round.

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a Great Name in GLASS

PRODUCTION

New Auto Plants

Decentralization plans find motivation in markets, not union troubles. Big expansion after the war is foreseen.

Looking ahead to all-time expansion of passenger car demand, the automobile industry after the war will continue the slow decentralization which began to manifest itself early in the "modern era" of car merchandising starting in the mid-twenties.

The locations of the new plants themselves contradict any belief that the industry's decentralization is motivated by a desire to get away from Detroit labor problems. Most of the new sites are in areas where unionization is about as commonplace—though perhaps not as eruptive—as in turbulent Michigan.

• **Nearness to Markets**—Resigned to the likelihood of labor problems wherever they may locate, the auto people look first at other criteria. They demand first an adequate and stable supply of manpower, preferably at least vaguely acquainted with the sort of work they will do. Next, the executives are interested in proximity to markets sufficient to justify the manufacturing and assembly work involved. Those factors are probably the most important in sizing up potential plant cities.

The most significant expansions are those by General Motors for its Buick, Pontiac, and Olds divisions. Heretofore those makes were produced at respective headquarters plants in Flint, Pontiac, and Lansing, Mich., and were also assembled on common lines at Southgate, Calif., and Linden, N. J.

• **Joint Plants**—Now, however, plans call for three more joint assembly plants for this trio. One will go into construction at Kansas City shortly. A second has been announced for Wilmington, Del. The third will likely be at Atlanta, where 400 acres of land have been bought in suburban Doraville. Obviously, General Motors expects much more sales volume from its three middle-price divisions.

Also on the General Motors building program is a new Chevrolet plant at Buffalo (G.M. sold its Chevrolet facilities there to the government) and expanded facilities at Atlanta. Two big new Fisher Body plants, one at Columbus and the other at Hamilton, Ohio, will make stampings and hardware, re-

spectively. Two or three other major plants may also be built by G.M., in addition to parts division expansions. Chevrolet is planning a new plant at Flint with a capacity of 600 cars and trucks per 8-hour day.

• **Ford Will Expand**—Ford, with 13 assembly plants scheduled to resume auto work after the war, definitely plans two new units. One will be in Atlanta, the other in St. Louis. Tentative plans also list large assembly operations on the East and West Coasts, evidently to supplement present facilities at Edgewater, N. J., Somerville, Mass., and Long Beach, Calif.

The other member of autodom's Big Three, Chrysler, apparently will hew to its policy line of concentration. The only indication of postwar expansion that it has given thus far has been in Detroit itself. A big new plant will be built within the Dodge main works, and notable expansions are earmarked for the Dodge truck plant. Smaller expansions will take place at the Chrysler plant at Jefferson Ave.

• **Plans for Atlanta**—Broadly examined, the expansion furnishes one mirror of wartime population shifts, which may promise new car market centers. The two big building programs for Atlanta indicate the growing importance of the South as a market. Ford's plans are reported to call for spending some \$12,-

000,000 at Atlanta, to provide capacity for 350 automobiles daily. General Motors is thinking in terms of spending an equal sum or more. Ford will employ 3,000 or so; G.M. may use even more workers.

Population growth at the nation's geographical center, boosted by aircraft plant employment since 1941, will be supported somewhat by the new Ford plant at St. Louis and the Buick-Oldsmobile-Pontiac operation of General Motors at Kansas City. These facilities can be expected to distribute as far south as Texas, west to the Rockies, and north into the Dakotas.

• **On the Coast**—As for the West Coast, no solid moves have been made toward expansion there, beyond the thinking by Ford. However, G.M., Ford, and Chrysler already have four operations active in California, readily expandable. The wartime increase in California population can likely be served by added shifts of workers in these plants, rather than day turns in new quarters.

ARMY GETS FROZEN MILK

Repeated calls from hospitalized soldiers for fresh milk during their long voyages homeward are resulting in increased shipments of quick-frozen milk that is said to thaw to a freshness as appetizing as the product left by the milkman in the morning. Current quotas already call for about 30,000 pints a month for use on hospital ships, about 400,000 pints a month for soldiers in virtually cowless Alaska, plus an unde-

Present Distribution of Auto Plants

Geographical distribution of automobile manufacturing and assembling facilities indicates the progress of the decentralization trend, which projected postwar expansion will increase. Here are existing plants:

Detroit Area

Detroit: G.M. Chrysler, Hudson, Packard
Dearborn: Ford
Flint: G.M.
Pontiac: G.M.
Lansing: G.M.

New York Area

Tarrytown, N. Y.: G.M.
Edgewater, N. J.: Ford
Bloomfield, N. J.: G.M.
Linden, N. J.: G.M.

Los Angeles Area

Long Beach: Ford
Los Angeles: Chrysler
Southgate: G.M.

Chicago Area

Janesville, Wis.: G.M.
Milwaukee: Nash
Kenosha: Nash
South Bend: Studebaker

Other Localities

Somerville, Mass.: Ford
Buffalo: Ford, G.M.
Chester, Pa.: Ford
Butler, Pa.: Bantam
Baltimore: G.M.
Richmond: Ford
Norfolk: Ford
Atlanta: G.M.
Cincinnati: Crosley, G.M.
Toledo: Willys
Indianapolis: G.M.
Newcastle, Ind.: Chrysler
Louisville: Ford
Memphis: Ford
St. Louis: G.M.
Minneapolis-St. Paul: Ford
Dallas: Ford
Oakland: Ford

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Add a passenger by
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MAGNESIUM



Make a five-seater out of your four-seater plane! No radical changes in design are needed. Just take out unnecessary weight by using magnesium.

There are plenty of places where this can be done in tomorrow's personal planes . . . in doors, seats, oil tanks, wheels, instrument panels, and many accessory parts. Magnesium alloys will give the required

strength and dependability, along with maximum savings in weight.

American Magnesium engineers are old hands at weight-saving. They will gladly help you employ magnesium to best advantage in cutting off needless pounds. Write Aluminum Company of America, Sales Agent for American Magnesium Products, 1711 Gulf Building, Pittsburgh 19, Penna.

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PRODUCTS

**AMERICAN MAGNESIUM
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SUBSIDIARY OF ALUMINUM COMPANY OF AMERICA



Air Filter QUIZ

1—IS IT ALL METAL?

All-metal filters are effective in preventing passage of fire in the ducts, and resist deterioration.

2—IS THE FILTER CLEANABLE?

Cleanable filters cost more to buy, but are much cheaper in the long run. They can pay for themselves in a year or two.

3—IS IT CONSTRUCTED TO RESIST VIBRATION?

The filter media should be of fixed density throughout. It must not shake down, leaving open spaces that will pass unfiltered air.

4—HAS IT AMPLE DIRT-HOLDING CAPACITY?

Filters that collect dirt on the surface only, need attention much oftener than filters providing a depth of dirt penetration. The latter hold more dirt,

and still permit passage of air without undue restriction.

5—WHAT WILL BE THE INTERVAL BETWEEN SERVICING?

Man-hours are precious. Be sure you have enough filter area to provide the maximum operating period before filters need cleaning. To accomplish this, try to keep air velocity at face of filters around 300 feet per minute.

6—IS IT BEST SUITED TO MY PARTICULAR APPLICATION?

Every ventilating job is tailored to your need by your ventilating engineer. He knows that important factors such as size of particles to be collected, initial resistance, over-all efficiency, as well as cost, must be carefully considered for each application. Reliance on his judgment will save you money and assure permanent satisfaction with your air filters.

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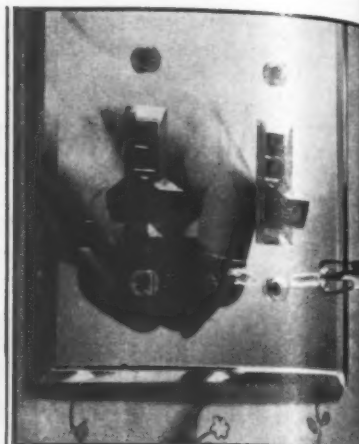
You get engineered filtration in every Air-Maze filter. Whether your interest in filters applies to air conditioning, ventilating, compressors, blowers or engines, remember—"If it uses air—use Air-Maze". Air-Maze Corporation, Cleveland 5, Ohio. Representatives in principal cities. In Canada: Williams & Wilson Ltd., Montreal, Quebec, Toronto, Windsor; Fleck Bros., Ltd., Vancouver.

IF IT USES AIR... USE

AIR-MAZE

ENGINEERED AIR FILTRATION

• Oil bath type filters and filter elements • Cleanable filter panels for air-borne dirt, oil, grease and liquids • Oil-wetted type filters and filter elements • Exhaust spark arresters • Gas cans, washers and tank vent breachers • Oil-separators for engine washers • Full-flow type elements all filters



SCREWS TURN PLASTIC

Transparent plastic screws which blend with mirrored switch plates are now being shown by S. S. White Plastics Division, New York. Injection molded of Eastman's Tenite plastic, the screws are said to exert only light pressure during installation and thus tend to cut down breakage.

terminated amount for hospitals overseas.

Although the process for quick-freezing milk is covered by a public service patent granted more than ten years ago to Dr. B. W. Webb of the U. S. Dept. of Agriculture, the product was not considered seriously by the armed forces until 1942 when the Navy began to adopt it. It was still officially unknown to the Army in July, 1944, when the president of the Milk Industry Foundation, Col. Benjamin Castle, persuaded some Army officers to try a sample. It was their enthusiasm for its beverage quality that sparked the Surgeon General's office into action, fresh research and fruition.

Keeping-qualities of frozen fresh milk depend upon the degree to which it is not condensed before freezing, whole milk being good for about three months and milk condensed to a third of original volume being good for only a month. Palatability of both condensed and uncondensed milk depends upon the speed with which it is frozen. Slow freezing results in large ice crystals that throw fats, casein, and other constituents out of emulsion. Quick freezing at -20 F. makes tiny crystals that thaw into milk of original constituency and flavor.

MOLDED PLASTIC CASKET

A molded plastic burial casket will be presented to the American funeral industry about July 1 by the F. H. Hill

Co. Several types of laminated plastic baskets have been produced by other manufacturers (and a molded plastic basket is reported in production in England), but the Hill company claims the distinction of being the first American manufacturer to have molded one successfully.

A thermosetting phenolic plastic was selected because it could be molded under high temperature and pressure. It takes a high finish in practically any desired shade or color. Another attribute of this plastic is its toughness and its ability to stand up under contact with acid and alkali conditions that might be encountered in the earth.

Price of the plastic product is on about the same level as for the metal and better wooden caskets.

Wichita Digs In

Citizens launch foundation for research to safeguard city's industrial gains. Processes are tested for manufacturers.

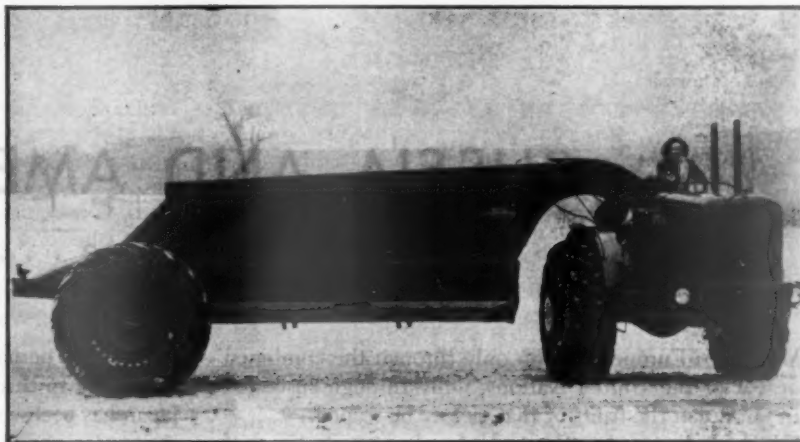
Having built a huge wartime aircraft industry where cows were grazing and wheat was growing five years ago, Wichita is confidently planning to continue as an industrial city after V-J Day.

To promote conversion of war plants to peace production, citizens have subscribed \$500,000, of which \$436,000 is paid, for the Wichita Industrial Research Foundation at the municipal University of Wichita.

As Jardine Sees It—The fund is to be spent as needed, after which it will be easy to raise more if the foundation proves its worth, according to Dr. W. M. Jardine, president of the university, who was Secretary of Agriculture in the Coolidge cabinet.

The foundation will engage in research for development of the natural resources of the Great Plains. Its immediate task is to assist individual companies which pay for the research service. Already enough work is under way to bring an income of about \$25,000 the first year, and demands upon the laboratories at the university are growing.

Chromium Problem—Largest project in the hopper is a chromium-plating problem of Beech Aircraft Corp., which may take years to finish, but which, if solved, will be of inestimable value to all aircraft industry. A good many dollars worth of chromium has been lost because no process has yet been devised for absolute uniformity of chromium plating in airplane factories.



TAKING THE STRAIN OUT OF STEERING

At Milwaukee, a girl puts a 28-ton dump truck through its paces to demonstrate Heil Co.'s all-hydraulic steering control for mammoth motor vehicles equipped with big tires. Developed by Henry French, company engineer, the device takes hard manual effort out of "big tire" steering by utilizing the steering wheel merely as a valve lever to control the flow of oil forced into wheel cylinders to activate the front axle. In an emergency, a metering pump automatically substitutes for a power-driven pump—with a manual assist from the steering wheel. High on Heil's postwar agenda, the control is being developed for all types of huge earthmovers, cargo and passenger carriers—even boats.

If an airplane manufacturer wishes to plate a landing-gear piston, he must overplate it. Some parts will be very rough. Then the excess must be abraded away to make the piston smooth enough to operate with a minimum of friction. The problem is to lay an even coat of chromium around all parts of the piston.

New Fan Is Tested—A small project, already completed, has been presented by O. A. Sutton Corp., an airplane parts contractor, which has developed Vornadofan, an electric fan incorporating airplane principles. This has been tested at the university for air velocity, spread of air through a room, and level of noise.

Davis-Westholt, Inc., also an airplane parts subcontractor, has had a hydraulic loader tested to ascertain varying effects of heat upon the hydraulic fluid. The loader is operated on farms by tractor power.

Other Projects—Miroflex Co., manufacturer of signs, is testing signs to be seen at night. Two companies interested in household appliances have brought problems that may require many months.

The wind tunnel at the university, built in 1930 and used extensively through the war by the aircraft companies, has been relined and equipped with new electrical measuring devices. It will be operated by the foundation.

POWER UNITS FOR EUROPE

Engineers charged with designing equipment for Europe's rehabilitation are poring over the "Berne diagram," a list of clearances for all railroad tunnels and underpasses between European ports and the interior. As a result, many shipping plans are being changed.

Manufacturers of diesel-powered electric generating units, for instance, wanted to put the complete sets on a single "skid," to conserve shipping space. But the Berne diagram disclosed that such skids wouldn't clear the tunnels. So the diesel units are being shipped in two packages.

The units are part of about 75,000 kilowatts of generating capacity on which work is being rushed in response to President Truman's recent direction that war agencies give all priorities necessary to meet minimum requirements of liberated allied nations. About 24,800 kw. of the total will be in two dozen 600-kw. diesel plants and in 26 generating 400-kw. About 50,000 kw. will be in 1,000 kw. and 2,000 kw. steam units.

Cost of the diesel units is between \$90 and \$100 per kilowatt and that of the steam units is expected to be less than \$100 per kilowatt.

Ten thousand kilowatts of steam capacity for the Dutch also has been assigned high priorities by WPB.

RUSSIA AND AMERICA

ALLIES — or else . . .

Victory in Europe was won only through the combined endeavor of the United Nations. Only through sustained joint effort can the fruits of that victory be reaped.

Without disparaging the truly heroic contributions of others, three of the Allies may fairly be credited with having made the major contributions to victory over the European Axis — the United Kingdom, Russia, and the United States. The close accord of these three nations is no less crucial to the accomplishment of the tasks that remain.

First of these is the war against Japan. It still requires winning. Even without any help from others, the United States could make good this victory, but the war's duration will be speeded by the marshaled effort of the United Nations.

Next, and not less important, is the task of establishing a basis for enduring peace. In this struggle our enemies are more formidable than any we have faced — national ambitions, prejudices, suspicions and distrusts, the staggering burden of tradition and debilitating cynicism born of past failure, the cleaving wedges of divergent languages, thought patterns, economic creeds and procedures — an array of difficulties as baffling as fog and as formidable as a deluge. They can be vanquished only by a continuance of the working accord between the United States, Russia, and Britain that was forged on the anvil of European conflict.

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This high appraisal of the decisive importance of the Big Three in determining the destiny of the United Nations organization, in no way depreciates the importance of the role to be played by France, by China, or the other freedom-seeking nations represented at San Francisco. All of us are committed to the building of a genuinely representative security organization in the conviction that by such means alone can we possibly achieve a just and lasting peace. But the strength of any international machinery will depend upon the validity of Russian-British-American cooperation. If these three are able to achieve substantial harmony of aim and procedure, a world organization that includes them can operate with effective coherence. If they pull apart, the United Nations will break up into competing and jealously hostile blocs.

This is inevitable because of the sheer weight of these three nations in the world's affairs. Between them they

account for perhaps half of the world's income and from two-thirds to three-quarters of its industrial output. Once Japan has been crushed, they will control an overwhelming preponderance of the world's armed might. Each of them will wield military power on a scale quite beyond the power of any embryo security league to hold in check. Only if all three are resolved to keep the peace and to enforce it through the Security Council, can that body hope to accomplish its aim.

Although there is a tendency on both sides of the Atlantic to indulge somewhat recklessly in mutual criticism, the ties between Britain and America are too firm to be severed by any foreseeable strain. But that has not been true of our relations with Russia. Even while fighting a war in which our respective ways-of-life were at stake, the inestimable services of each to the other were rendered as friendly but independent associates rather than as fully trusted partners. Now again, as we approach the difficult and vitally important task of building a world organization and of devising a European peace, the task of our delegates is complicated by national attitudes under which each hopes for the best from the other, while fearing the worst.

But the stakes for us both — and for the rest of the world — are too high to be played for in a diplomatic poker game. Russia has no inhibitions in demanding what she wants, and our own vital interests must be stated and upheld with undeviating firmness. Yet we both must face the stark fact that few advantages that either nation might gain at the cost of dissipating the good will of our wartime association could be worth the price thus paid.

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The first steps toward establishing confidence lie in a frank recognition of what may contribute to the lack of it and in a definition of what can be done to restore it.

1. Probably the greatest single area of reciprocal distrust between Russia and our own country is based on the fear of each that the other may try to interfere with its domestic, economic, and political affairs. Each purports to see the beam of meddling intervention in the other's eye, while it ignores the mote in its own. Thus the Soviet Union remembers that we participated in the foreign military intervention at the time of her civil revolution, and afterwards lent our support to successive boycotts of her trade, of her gold, and of her credit needs. For our part, we remember the Soviet Union's doctrine, and aggressive

support, of revolutionizing international communism. We feel that Russia should find satisfactory evidence of our present willingness to have her develop her internal institutions she will in the aid that we have given her during the war, and the record of our good-neighbor policy as applied to Latin America. She, no doubt, resents our lingering suspicions in the face of her declared policy of 1941 to refrain from any attempt to influence the political or economic structure of foreign nations. Certainly, each of us will need the repeated reassurance that can come only through sustained performance by the other in the years ahead. Meanwhile, much will be gained if each will give to the other's good faith the benefit of the doubt, while it scrupulously guards its own conduct to avoid even the appearance of backsliding.

2. A second zone of suspicion is created by those measures which each of us interprets as natural and necessary bulwarks of national security when they are our own, but as evidence of dangerously aggressive imperialism when taken by the other. In our view, at least, such demands as we have voiced for island fortifications or for other naval bases appear mildly conservative compared with Soviet claims for annexation of territory and for a general orbit of influence, under governments friendly to her, throughout eastern Europe in particular. There can be no easy solution to that problem. Bi-focal vision, by which one nation can look through a second lens ground to the prescription of another, seldom is achieved in international affairs. The success of the San Francisco Conference will provide a mechanism for international definition of principles and procedures which at least might relieve the inevitable strains. Most important will be the record of how each of us proceeds in our respective courses of action. Soviet performance thus far is highly unsatisfactory to us. While we have taken pains to clear our procedure with her, she has taken action in the Baltic, in Austria, and in Poland without even advance notice to us.

A major test of our ability to cooperate may be found in the Allied administration of conquered Germany. The proposed four-headed control of a four-way partitioned nation promises to be at best an extremely awkward mechanism of administration. At worst, it can result in continuous and dangerous bickering between the representatives of Britain, France, the United States, and Russia in the Berlin coordinating center, and in hopelessly divergent procedures in their several zones of administration. There will be a compelling need for all of us to exercise all of the wisdom and cooperative resolve that we possibly can muster.

3. A third testing ground for the future of American-Soviet relationships will be defined by the course of Russia in our continuing war with Japan. We are not unmindful of the toll paid by the Soviet Union in its magnificent European war effort. But we still are locked in a desperate struggle with an enemy that exemplifies the Fascism which America and Russia equally denounce. And that war is being fought in an area where Russian interests are importantly at stake.

Russia has an extraordinary opportunity to create good will by throwing her weight speedily and effectively on our side. There is no doubt but that the final Pacific settlement will generate problems comparable with those of the European peace, but it is equally certain that the continuation of the

European comradeship in arms can do much to promote an enduring and confident postwar friendship.

4. A fourth, and highly important, potential source of suspicion and irritation is the intellectual blockade that the Soviet Union has maintained against the free flow of travel, intercourse, and exchange of ideas. We can understand the genesis of this policy and the reasons for its continuance while Russia entertained a constant fear of attack by powerful enemies. But the sustained perpetuation of such a quarantine by so strong a nation as the present U.S.S.R. could not be accepted as a protective measure. Inevitably it would generate suspicion that it was rather an instrument of nationalistic isolation or even of contemplated aggression. A way-of-living, at arm's length, with a nation that maintains such intellectual quarantines is possible; any whole-hearted partnership of effort is quite impracticable.

5. Trading between a free-enterprise nation and one that operates all foreign commerce as a government monopoly can give rise to many frictions. That subject is too complicated for exposition here. Suffice it to say that, while difficult, it is not impossible to conduct such trade with mutual advantage. We are in a position to help Russia greatly with her program of industrial rehabilitation and expansion at great saving of cost in terms of her current scale of living. In return, we must have assurance that her government monopoly trading will be conducted for commercial rather than political ends, and that it will be used to encourage rather than to restrict multilateral and non-discriminatory world trade.

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This is a representative list of the major areas in which misunderstanding and distrust may be generated, or allayed, in Russian-American relationships. No doubt, an equally honest list drawn by a citizen of the Soviet Union would be more heavily weighted by those features of our behavior which irritate and stimulate distrust on their side. If such a catalog were to be presented, it should receive our most searching and responsible consideration.

For it is of utmost importance that our two nations, in concert with the other United Nations, learn how to get along in mutual confidence and respect. Our understanding of each other now is so imperfect that our negotiations are punctuated with continuous irritations over little issues. This, inevitably, will continue until such matters are submerged in the general confidence that can be achieved only through satisfactory settlement of the big issues. We must succeed in this, or the defeat of Japan will merely mark the end of the Second in a series of World Wars.

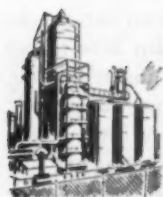
James H. McGraw, Jr.

President, McGraw-Hill Publishing Co., Inc.

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He's Helping to Bring You BETTER GASOLINE



FOR the past eight years, George Wills has been a molder at the Lebanon Steel Foundry. He's a skilled man at his job... and some of the work he's done is going to help you get better motor fuel.

Plenty of those Lebanon Circle **L** Castings for which George makes molds are assisting in the production of higher octane gasoline. Circle **L** Castings are widely used by the oil industry in valves, Christmas trees, return bends, fittings, nozzles, diffusers, compressors and other important equipment.

This new, higher octane gasoline produces smoother engine operation by promoting smoother piston stroke. Castings molded by George Wills at Lebanon are helping to speed the day when this gasoline will be available either for your car or for that plane you may be flying.

Problems in your own industry may be solved by the application of Circle **L** Castings. Lebanon foundry engineers and metallurgists are ready to discuss future uses at your convenience.

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ORIGINAL AMERICAN LICENSEE GEORGE FISCHER (SWISS CHARLOTTE) METHOD

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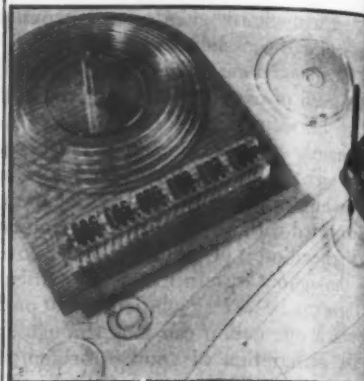
Castings



NEW PRODUCTS

Splining Disks

Drafting the many curved parallel, or splined, lines that designate the contours of air and marine craft promises to be considerably expedited by a set of the new Graduated Splining Disk developed by the Jackson Instrument Co., Ferguson, Mo. Disks for producing parallels at intervals from 0.010 in. to 0.0260 in. are made of aluminum in 25



increments of 0.010 in. Larger disks for intervals from 0.25 in. to 3.00 in. are made of transparent Rohm & Haas Plexiglas in 12 increments of 0.25 in.

Whatever the size of a disk required for a particular splining job, the draftsman lays it tangent to the flexible spline or rigid French curve that has provided the base curve, inserts his pencil in the disk's center hole, and draws a line parallel to the original curve. Successive parallels are handled from the original base with larger and larger disks. Usual practice calls for resetting a spline for each successive parallel line—a practice which takes time and begets inaccuracies.

Improved Factory Sweeper

Not quite three years ago, the Moto-Mower Co., 4600 Woodward Ave., Detroit 1, brought out the Moto-Sweeper, a gasoline-powered machine with a horizontal brush that revolves like a lawn mower for expediting the maintenance of factory floors and walkways (BW-Nov. 28 '42, p82). Now it is bringing out the new and improved Commander Moto-Sweeper for similar purposes.

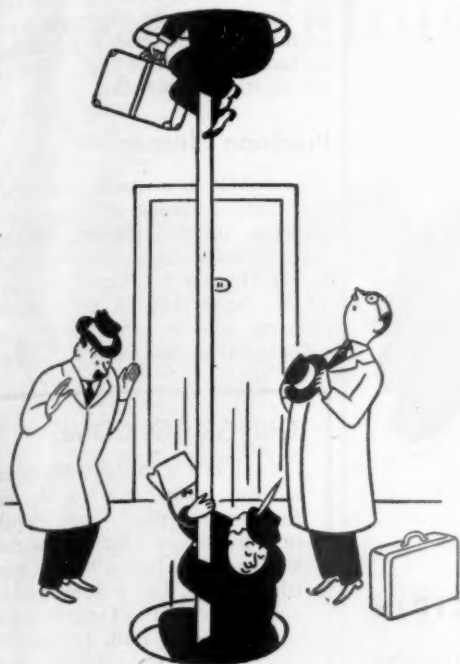
Principles of operation remain the same, the machine being guided right or left under its own power by means of controls on its handle bars that operate a separate clutch on each driving wheel. Improvements include a blower for getting dirt and trash out of corners.

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**It never quite
came to this...**

Because of wartime calls upon man power, Hotel Pennsylvania elevator service occasionally may not operate at the split-second efficiency you have come to expect.

Yet, in spite of all this, Hotel Pennsylvania elevator service has been maintained at a surprisingly high level.



**and it may never
come to this, but...**

In fact, you will find that *all* the Hotel Pennsylvania services you knew in prewar days are substantially maintained.

Admittedly, this has been—and still is—a difficult task. So difficult, in fact, that at times it has seemed almost impossible. Yet the job has been done—and the doing has been all the more worth while because of your cheerful co-operation and understanding.

It has always been our policy to make you as comfortable as is humanly possible. To that end, plans are being made for postwar days.

Meanwhile, the many people who serve you at Hotel Pennsylvania will continue to do their level best to make your visit with us a pleasant one.

**YOUR DOLLARS ARE URGENTLY
NEEDED FOR U. S. WAR BONDS**



Hand-in-glove

WITH A "GENERAL" PACKING PRINCIPLE

GENERAL'S

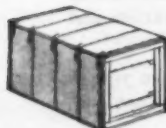
"Part of the Product" Plan

GENERAL Engineered Shipping Containers are designed to the product. Frequently the product and the container come off the production line together—as a unit.

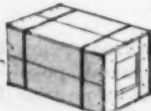
Result: You save space, materials, man-hours and packing costs.



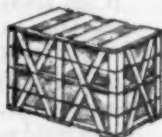
General Corrugated Box



General All-Bound Box

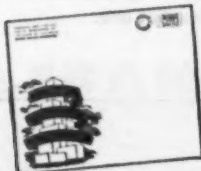


General Nailed Box



General Wirebound Crate

General Cleated Fibreboard Container



Send for "The General Box"—this booklet illustrates General Box Company's "Part of the Product" Plan.

GENERAL Engineered Shipping Containers also give you snug fit . . . light weight . . . positive product protection!

GENERAL engineers are experienced in the scientific design of all types of shipping containers—from giant crates for B-29 landing gears to tiny boxes for precision parts—thoroughly experienced in the better packing of practically all types of products!

While GENERAL Engineered Shipping Containers are today shipping vital supplies throughout the world, we are planning to serve you with improved postwar containers.

Write today. Let us tell you about GENERAL'S "Part of the Product" Plan. Learn how you, too, can save space, speed production and substantially cut shipping and packing costs.

ENGINEERED SHIPPING CONTAINERS

General BOX COMPANY

GENERAL OFFICES: 502 N. Dearborn St., Chicago, Ill.
DISTRICT OFFICES AND PLANTS: Brooklyn, Cincinnati, Detroit, East St. Louis, Kansas City, Louisville, Milwaukee, New Orleans, Sheboygan, Winchendon, Continental Box Company, Inc.: Houston, Dallas.

ners and blowing the refuse directly into the path of the revolving brush. Greasing connections on the brush bearings are now readily accessible. Inbuilt means for laying dust with a fine spray of water are positively controlled.

Precision Cleaner

Safe-T-Clean is a new product for the precision cleaning of glass, glazed ceramics, mirrors, jewelry, and certain plastics that was developed originally by the Hudson American Corp., 25 W. 43 St., New York 18, to do a critical cleaning job on the quartz crystal manufactured for radio and radar b

THINGS TO COME

Cushions in the seats of postwar rail cars, boats, automobiles, and furniture for office, home, or public buildings will be thinner than they are now, but softer and more comfortable. The seeming paradox will be the result of combining an underframe of thin, resilient leaf springs with an overlay of cellular rubber. Since the cushions for the backs of seats will require less space than formerly, the architects of theaters and the designers of vehicles will be able to provide a new commodiousness.

- Women will continue to operate machine tools and other industrial equipment after the war. Since they will probably never cease being more concerned than men over the breakage of fingernails, equipment designers are beginning to take that fact into serious consideration. New designs for electrical controls call for actuating levers instead of the push buttons which have too often been unkind to lustrous manicures.

- Even before DDT, the spectacular, war-developed insecticide, has a chance to spread its benefits to civilians, it may have an equally spectacular rival in BHC (benzene hexachloride) which has been known to chemists since Michael Faraday first caused chlorine gas to combine with liquid benzene in the presence of sunlight. Whether it will be known eventually as BHC or 666 (from its formula— $C_6H_6Cl_6$), it is showing surprising potency and a lethal action similar to the more complex DDT in English experiments on bedbugs, houseflies, lice, fleas, and agricultural pests.

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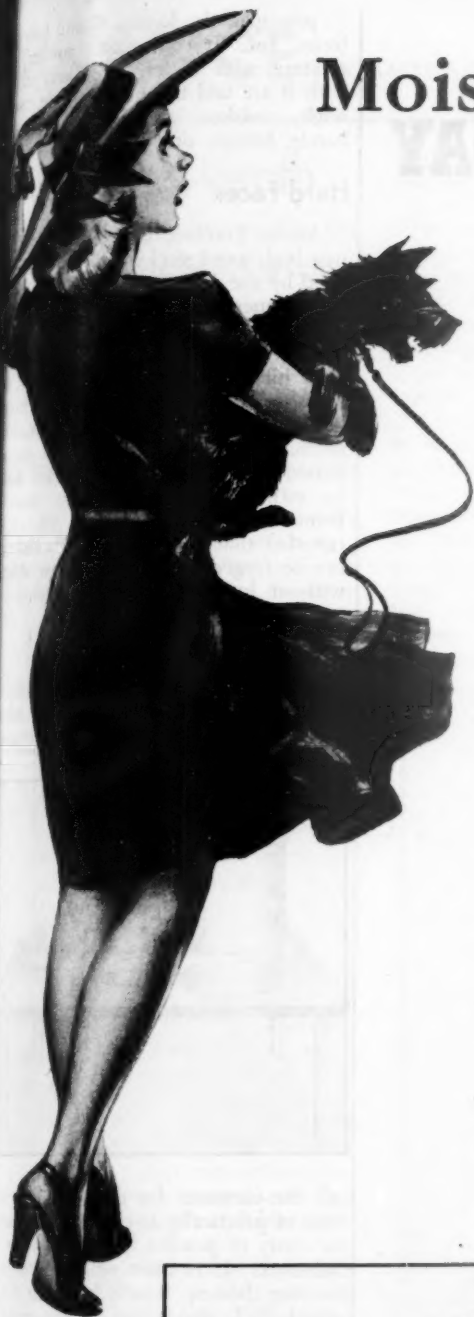
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Moisture Conditioning Makes Liquid Stockings Behave

Liquid leg make-up that becomes dusty, smears and is patchy can be made to behave like a lady. A little Arlex incorporated into the solution helps to solve the problem.

Arlex (Atlas Commercial Sorbitol Solution) acts as a permanent conditioner to hold the desirable trace of moisture in the pigment film and keep it from dusting. Coverage is better and more even.

Conditioning pigment films, such as those in liquid stockings or white shoe polish, is a job that Arlex does well. Cigarettes, cork gaskets, gelatin capsules and beverages are examples of other products that sell faster, and stay sold longer, because Arlex imparts to them longer life, more wear, flavor, freshness or special softening effects.

A modern example of research, Arlex is but one of more than one hundred chemical materials developed by Atlas. The huge stockpile of ideas evolved here not only serves many industries today, but can work for you in bettering your products or processes.

Consult us now on your product plans for post-war competition.

USES OF ARLEX

Atlas Commercial Sorbitol Solution
Its wide use demonstrates Arlex' versatility

Abrasives • Adhesives • Beverages • Cellulose Products • Cleaning Compounds • Coatings • Cosmetics
Dentifrices • Diabetic Foods • Emulsions • Foods • Gelatins and Glues • Leather Finishes • Paper Products
Pest Control Pastes • Pharmaceuticals • Printers' Rollers • Resins, Water Soluble • Rubber Compounding
Shoe Dressings • Textile Finishes • Tobacco

Arlex: Reg. U. S. Pat. Off.



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need not be classified with appliances to be waited for until the Pacific War is finally won. *They are AVAILABLE today.*

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its principal, the Reeves Sound Laboratories, Inc. It comes as a powder mixture with water. Solutions made with it are said to be quick, safe, thorough, sudsless, and noninjurious to hands, fabrics, or equipment.

Hard Facer

Amsco Toolface is the name of the new high-speed-steel welding rod, developed by the American Manganese Steel Div., American Brake Shoe Co., Chicago Heights, Ill., for making, salvaging, or altering cutting tools (such as lathe bits, milling cutters, etc.) and for hard-surfacing operations where extreme hardness, toughness, and resistance to mechanical shock and corrosion are required. Its welded deposits, laid down by either gas or electricity, have a Brinell hardness of 575 to 675. It is reported that tools faced with the metal can be forged or ground to new shapes without loosening the hard-facing.

Laboratory Spray-Dryer

Compact as is the new Bowen Table Laboratory Spray-Dryer, which stands on a 3x6-ft. table, it contains



all the elements for drying a quart or two of practically any aqueous solution or slurry to powder form in a very few minutes. It is built of stainless steel by the Bowen Research Corp., Caldwell, N. J., and is said to be a carefully engineered reduction of its large, commercial spray-drying equipment.

Operation consists essentially in feeding liquids or slurries by either gravity or pressure to an atomizer, which is whirled at 50,000 r.p.m. by an inbuilt air turbine, in the top of a drying chamber. Countercurrents of air heated by a small inbuilt gas furnace force the atomized material into a whirling vortex wherein the drying takes place. The resultant dry powder passes into a conical dust collector and is deposited automatically into a convenient glass receptacle.

Mighty Seventh

War loan drive passes the half-way mark with flying colors, dispelling apprehensions that had been felt in some quarters.

It is still too early to know whether the Seventh War Loan drive will be as much a selling job as the Treasury's War Finance Committee had predicted (BW—Apr. 7 '45, p. 70).

Apathy Disappears—The halfway mark, however, was passed this week in a fashion that caused Secretary of Treasury Henry Morgenthau, Jr., to report that public response has been sufficient to prove groundless any "fears that the people as a whole might decide that V-E Day meant the war was won."

Despite earlier apprehensions of some campaign officials, individuals have been digging down in their jeans for billions of dollars of additional subscriptions even though before the Seventh drive opened they had purchased some \$45,-000,000,000 of E, F and G bonds.

Sales to individuals, the main aim of the Treasury's current drive, had in fact, reached the \$4,100,000,000-level by half time. Individual purchases of the Series E issue, the "people's bond," also had been equally satisfactory. Almost \$2,000,000,000, or 50% of that goal, had been chalked up.

New Stunts Added—Such totals, however, haven't been achieved without considerable effort. To hop all the hurdles it faces, the War Finance Committee has called into action all of the most productive promotional practices of past campaigns and has added some new stunts.

As in the Fifth War Loan drive, magazines are devoting their front covers to promotion of the Seventh; a bond-selling letter signed by all the five-star U. S. admirals and generals is being featured. Some 2,200 publications, with a total circulation of more than 161,000,000, have pledged front-cover bond appeals.

In addition to again using the services of stage, screen, and radio stars, the Treasury has this time enlisted the help of the Tin Pan Alley section of the show business. Some 20 song writers have come across with campaign tunes.

Old Theme Dropped—National and local advertisers are once more contributing newspaper and magazine space to boom the drive. The Treasury is seeing to it that all such copy emphasizes the

fact that a bloody war in the Pacific remains to be won; that 1945 will see only two drives, instead of three as in 1944; and that individuals, therefore, must make their subscriptions 1½ times as large as in the separate drives last year.

The War Finance Committee is taking precautions against advertising copy that urges bond-buying now merely as a vehicle for temporary savings to be used in postwar family buying programs.

The "buy bonds now and use them to finance your postwar plans" theme was featured in the advertising of some earlier war loan campaigns. Now it is frowned on because enough war bonds are being cashed without further encouraging such a trend. Instead, space contributors have been asked to stress long range investment objectives.

Banks Lend a Hand—The commercial banks again are specifically barred

from purchasing other than small amounts of the securities offered in the Seventh loan. However, as in the past, those institutions and their staffs are playing an active part in the campaign.

Before the drive ends on June 30, virtually every one of the nation's 34,000,000 bank depositors with checking accounts will have been solicited to buy bonds with current income and to use part of current checking account balance to buy extra bonds.

Some of the larger savings banks are recommending to depositors that part of their savings accounts might well be withdrawn and used to buy some of the War Loan issues. Wall Street brokerage houses, aware that credit balances of clients have reached record-breaking levels (BW—Feb. 10 '45, p. 68), are also suggesting to customers that they divert some of their idle cash into war bonds.

Big Fellows Next—Thus far only individual buyers have been permitted to subscribe. Beginning June 13, however, the big non-bank investors (insurance



TO THE AMERICAN PEOPLE:

Your sons, husbands and brothers who are standing today upon the battlefronts are fighting for more than victory in war. They are fighting for a new world of freedom and peace.

We, upon whom has been placed the responsibility of leading the American forces, appeal to you with all possible earnestness to invest in War Bonds to the fullest extent of your capacity.

Give us not only the needed implements of war, but the assurance and backing of a united people so necessary to hasten the victory and speed the return of your fighting men.

William H. Leahy
Douglas MacArthur
Dwight D. Eisenhower
Carl D. Nimitz
H. H. Arnold

A direct war bond appeal to the American people signed by Generals Marshall, MacArthur, Eisenhower, and Arnold, by Admirals Leahy, King, and Nimitz—principal military leaders under the Commander-in-Chief (cover)—will reach the readers of 2,200 U. S. magazines and house organs—circulation 161,000,000.



A "third hand"!

THE operator uses each hand alternately to feed the parts to the machine. Automatically, compressed air blows out the machine part. This enables the worker to feed the machine at maximum speed.

Wherever air, gas, steam or liquids are used under pressure, you are quite likely to find Ashcroft Gauges on the job indicating the amounts of pressure with enduring accuracy.

Ashcroft Gauges are in thousands of factories, power plants and pumping stations. They travel on the sea in ships and under the waters in submarines. Planes of all kinds depend upon these gauges to guard the vital pressures in the engines and lines.

For almost one hundred years we have made Ashcroft Gauges, yet never did we make more or better gauges. So, if you are planning any manufacturing process involving pressure, write to us or our nearest distributor for the exact type of gauge for your work.

Stocked and sold by leading distributors everywhere... When you order gauges, insist on **ASHCROFT**... Write for booklet.



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Makers of Ashcroft Gauges, Hancock Valves, Consolidated Safety and Relief Valves and "American" Industrial Instruments. Builders of "Show-Box" Cranes, "Budgit" and "Load Lifter" Hoists and other lifting specialties.

companies, savings banks, corporations, etc.) will have their chance.

The Treasury isn't overlooking the opportunity to divert the surplus funds of that group into war bonds.

• **Speculation Banned**—More than ever before, the Treasury is determined to eliminate the speculative type of bond purchases so noticeable in earlier war bond campaigns, particularly during the Sixth loan.

It has imposed a variety of restrictions to accomplish this. Warnings have also been issued to banks concerning the granting of credit to speculators and the Treasury has strong hopes that drive totals this time will be more "legitimate" than heretofore.

• **Success Expected**—Official quarters, according to reports, believe that the over-all \$14,000,000,000 quota will finally be oversubscribed by between \$4,000,000,000 and \$5,000,000,000. Most of this oversubscription is expected to be provided by institutional and corporate buyers but the Treasury is convinced that the goal set for individual subscriptions will at least be reached.

Some in New York's financial district think the Treasury has set its sights too high. They believe, however, that the measures taken to eliminate speculative buying will prove more effective than in the past, and that final returns will run somewhere in the neighborhood of \$16,000,000,000.

Stores Expand

Dry goods retailers put the current easy money conditions to good use in the development of their plans for postwar era

Since early 1944, few American businessmen have been more actively engaged in developing postwar plans than the dry goods retailers (BW—Jan. 6, p. 86). This is true of the small specialty shop chains as well as the big department store owners. Each group appears determined to take any steps needed to retain the biggest possible slice of war-gained business.

• **No Reconversion Problems**—These retailers, facing no reconversion problems that must be surmounted before postwar plans actually get under way, are making full use of their strategic position.

Unlike many other lines, the retail trade hasn't been limiting its current financial operations to mere refunding. It has been utilizing easy money conditions to finance its postwar program by selling new securities, publicly or privately, or by means of longer term bank loans. As a result, many expansion plans, despite raw material shortages and war controls, have been getting off to a flying start in recent months.

Never has this trend towards postwar

Stockholders Win Right to Fight SEC

Two Supreme Court decisions this week established the right of stockholders to force court review of Securities & Exchange Commission orders affecting their corporations.

• **Legal Rule Extended**—Although the cases turned on a fine legal point, they may well have some serious effect on the future administration of the Securities Exchange Act. The law prescribes that "any person or party aggrieved by an order issued by the commission" may obtain a review by the Circuit Court of Appeals.

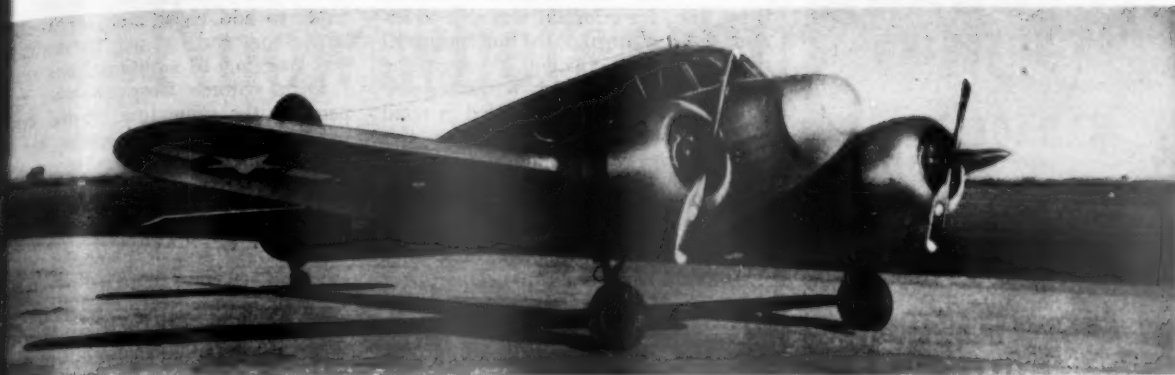
Before, nobody knew whether a stockholder could qualify as an aggrieved person. The usual rule in corporate law is that a corporation can be depended on to look out for itself and that a stockholder's derivative action can be effective only if the corporation hasn't taken adequate steps on its own account.

In one case, the Supreme Court held that stockholder Samuel Okin

had the right to ask court review of an SEC order approving a refinancing transaction between Electric Bond & Share Co. and one of its subsidiaries. In the other, the court decided that American Power & Light Co. was entitled to protest an order requiring its wholly owned subsidiary, Florida Power & Light Co. to make adjustments in its surplus account.

• **Harassment Feared**—The court declared that under the wording of the law both plaintiffs had a grievance, hence were entitled to protest.

Justice Frank Murphy, dissenting, envisioned minority stockholders harassing "the commission and their respective corporations by challenging orders of the commission.... Lawyers agree that the ruling may invite stockholders suits, but think that most important SEC actions are fought out so thoroughly, anyhow, that there isn't much stockholders can add.



Twin-Engine Cessna Airplanes

GOVERNMENT SURPLUS PROPERTY

Available Through Reconstruction Finance Corporation

\$3900 TO \$8500

A large, comfortable cabin, coupled with twin-engine safety, and the ability to get in and out of small airport gives this airplane general utility value.

It operates on 73 octane gasoline and cruises at approximately 140 m. p. h. This plane is suitable for business transportation, light cargo, pilot training, or personal use.

This aircraft is a low-wing monoplane of composite wood, steel and fabric construction and is powered with two Jacobs Model L4MB engines, of 225 horsepower each. These Army models, designated as UC-78 and AT-17 (commercial model T-50), are type-certificated but individual planes must be repaired and

modified to meet Civil Aeronautics Administration airworthiness requirements for civilian flight.

Information concerning sales procedure, location of aircraft, and price, may be obtained from your nearest RFC Disposing Agency in the cities listed below.

PRICE DETERMINATION

Prices for these planes have been set to make allowances toward modifications, repairs and overhaul. The \$8500 price is for planes equipped with constant speed propellers, and a wing which is eligible for CAA approval to permit a 5400 pound gross weight. Prices are lower for planes equipped with fixed pitch wood propellers and/or a wing designed for a 5100 pound gross weight.

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Conserve Labor and Cut Costs



For Maneuvering in Cramped Space RED GIANT Model G with Full Side Lift is Recommended.

FOR THAT POST WAR COMPETITION

Equip your plant with these handy, husky, hand trucks for more efficient moving of materials in shop, stockroom and warehouse and for platform loading to truck or freight car. Ideal for use in conjunction with REVOLVATOR PORTABLE ELEVATORS and REVOLVATOR HYDRAULIC RAMP ELIMINATORS.

NOTE: TIMKEN HOLLER BEARINGS standard equipment. Other outstanding features insure best liftruck value. Send for catalog and compare.

REVOLVATOR Co.
DESIGNERS AND MANUFACTURERS OF MATERIAL HANDLING EQUIPMENT
2011 86th St., North Bergen, N. J. Since 1904

planning in the retail store field been better illustrated than in recent weeks.

• **New Cash for Gimbel's**—Gimbel Bros., Inc., for example, was able to announce late last month the successful completion of a \$25,000,000 financing operation. The largest refunding-new money deal of its kind revealed in retail merchandising in many a day, this financing was specifically designed to provide the company with some \$7,000,000 of new cash to take care of its contemplated postwar capital expenditures.

Federated Department Stores, Inc., was another leader in the department store field to make headlines recently. At a total cost of more than \$9,000,000, it has just taken the first big step in a contemplated nationwide expansion program by adding Foley Bros. Dry Goods Co., the largest department store in Houston (Tex.), to its already extensive chain. Also, it has acquired a new site on which it hopes to erect soon a new and larger Foley store.

• **Smaller Companies, Too**—These moves, however, only highlight what has been going on in the retail field since early 1944.

A case in point is Franklin Stores Corp., operator of a chain of 50 women's apparel shops in the Southwest. It recently sold 114,000 shares of

new stock to the public at \$8 a share to finance its postwar expansion plans. It has just opened two new units, intends to add eight more to its chain fairly soon, and has negotiations under way covering 16 additional new stores.

Diana Stores Corp., another company in the same line, started its expansion some eight months ago by adding three new stores to raise its total to 29. Since then, it has borrowed \$600,000 of new capital by means of a three-year bank loan, has bought 10 more stores, and is planning now to establish ten new shops.

• **Public Offering**—Princess Shops, Inc., a smaller chain with 18 stores, will soon publicly sell 25,000 shares of 6% \$5-par preferred and 25,000 of common. With this new capital, it will start expanding by adding eleven new units to its group.

Many other specialty or department store operators, both big and little, have been obtaining new money in the last year or so by public or private sales of securities or by means of bank loans.

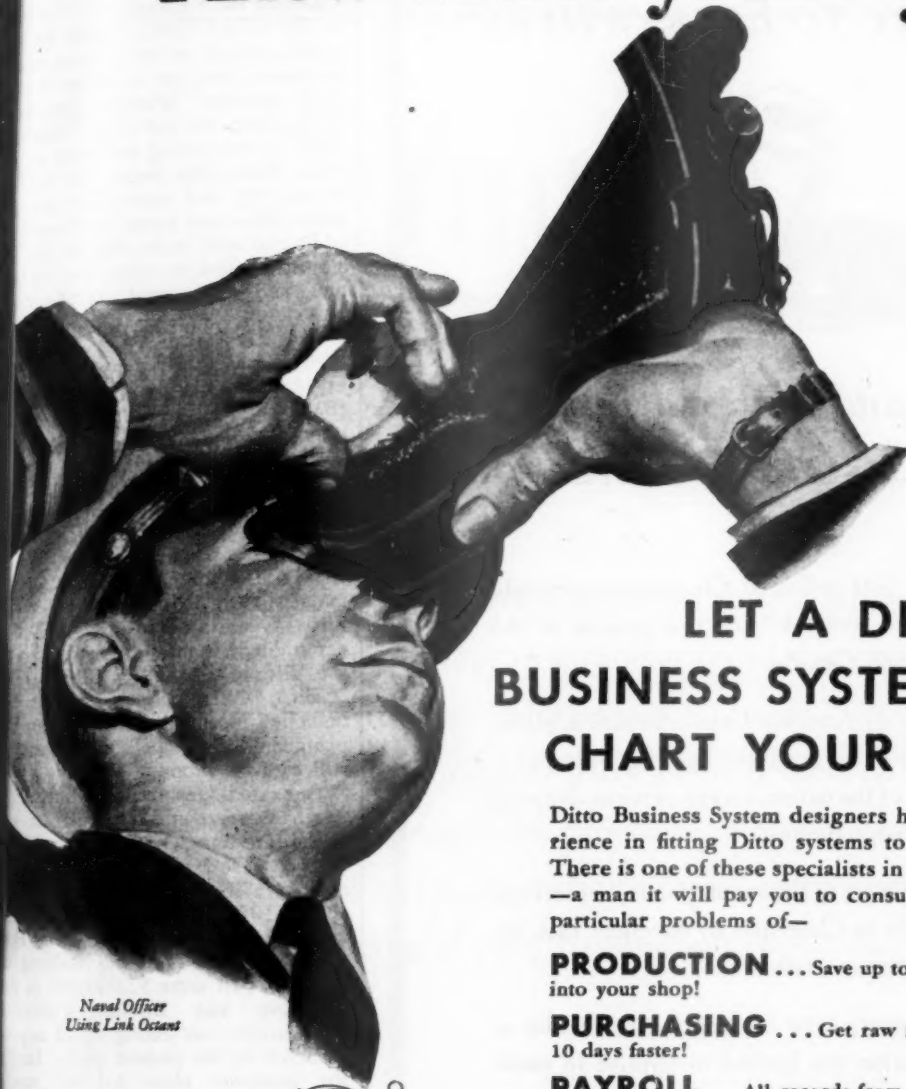
Among these can be included Lane Bryant, Inc., Kobacker Stores, Inc., May Department Stores Co. (a \$15,000,000 preferred stock deal netting \$11,000,000 of new capital), Bond Stores, Inc., Lerner Stores Corp., The Hub-Henry Co., Lytton & Co., Butler Bros., Halle Bros.



AND NO ONE RAISED THE BID

With an uncontested bid of \$52,000,500, Otis A. Glazebrook, Jr. (left) bought the Seaboard Air Line Railway Co.—lock, stock, and liens totaling \$18,000,000 (BW—Apr. 21 '45, p. 64). The old-fashioned foreclosure auction last week on a station platform at Portsmouth, Va., was one of the final steps in terminating the 15-year-old receivership of a line, one of the East Coast's major rail links between the North and the South. Glazebrook, New York banker, is president of the Seaboard Railway Corp., chartered 16 months ago by the reorganization committee. Tazewell Taylor (right), bankruptcy master, wielded the hammer, will seek court confirmation of the sale in Baltimore on June 2.

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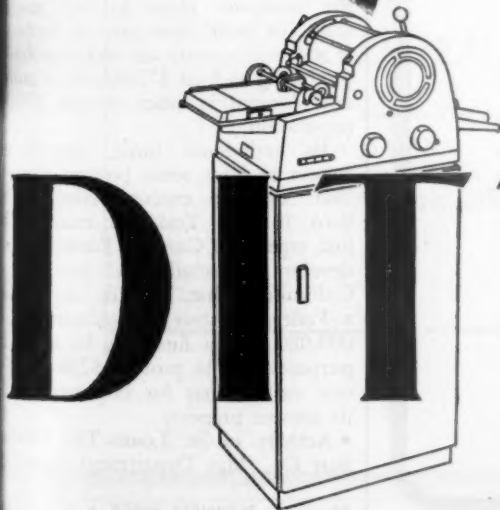
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WITHIN 500 miles of Cleveland—overnight by train—live 54% of the people of the United States and Canada.

Here are 63% of America's manufacturing plants producing 71% of the products made in this country. Here are 71% of the nation's wage earners, drawing 75% of America's payroll.

In this area are most of the country's major markets, easily accessible to Cleveland by excellent rail, air and highway transportation.

Businesses of every type considering relocation or postwar expansion are invited to inquire in confidence of this bank, for information and assistance.

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& Co., Chicago Mail Order Co. (planning a smaller city chain of popular priced department stores), City Store Co., Dejay Stores, Inc., and Edgemoor Bros. Stores, Inc.

• **Among the Expansionists**—Not active in any recent financial deals but busily engaged in inaugurating postwar expansion plans are a number of store operators. Interstate Department Stores, Inc., has just opened three new units, is considering two more acquisitions. Mercantile Stores Co., Inc., to recently had opened 14 new goods stores and leased locations for additional new units. Spiegel, Inc., almost doubled its chain since last summer, and now operates approximately 110 stores.

New York's R. H. Macy & Co. has been idle. Recent reports indicate that in addition to expanding in the East (BW-Jan. 6 '45, p. 86), it is now considering building a new branch in Los Angeles.

• **New Saks Unit Planned**—Gimbel Bros., which saw its 1944 sales rise some 20% to \$194,552,000, a new record, and has since experienced a further 15% rise, contemplates using some of its new cash to set up another Saks Fifth Avenue unit in a city still to be determined. It intends, also, to expand the already established Beverly Hills (Calif.), Chicago, and Detroit branches. No other new stores are now planned, but Gimbel's management is still open to proposals.

Federated Department Store's Folio purchase represents the biggest merchandising transaction in Texas history. It was paid for with 31,500 shares of Federated 44% preferred, currently worth about \$105 a share, and 10,000 of common, now selling on the Big Board around \$35.50. The new building, however, cost some \$2,000,000 in cash.

• **Buying and Building**—Federated plans involve no setting up of any new branches by its present units. Instead, the company plans to buy existing stores or build new ones if necessary. It will concentrate on units capable of producing at least \$7,000,000 of annual sales located in cities of over 250,000 population.

Its individual units, nevertheless, appear to have some postwar plans of their own to execute. Bloomingdale Bros. in New York, for example, has just organized Gardens Foods, Inc., to develop its retail food business. In Columbus, Ohio, F. & R. Lazarus Co. a Federated store, contemplates \$1,000,000 of new financing for refunding purposes and to provide \$2,000,000 in new cash to pay for improvements in its present property.

• **Activity in St. Louis**—The Famous Barr Co., May Department Stores

FINANCING



FAR-SIGHTED CORPORATIONS are now adding to working capital in anticipation of the necessity for future use of larger capital funds. Seldom has a greater opportunity been presented to provide for long-term capital requirements.

One of our partners will be pleased to discuss the financing of your corporation with you.

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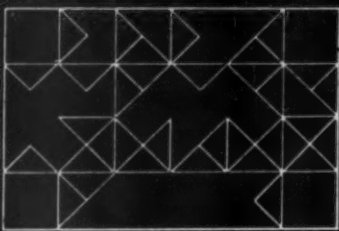
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In a pack of cans arranged 6x4 there are three long and five short contact planes where damage might occur. Our tests show that fibreboard partitions placed along two of these planes eliminate 90% of this damage. Perhaps we can help you to save money by applying impartial, scientific tests to your shipping and packing problems. Phone or write.

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INVESTMENT SECURITIES

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Louis subsidiary, has on tap a \$7,500,000 program which it expects to finance with bank loans. This will involve the building of three new outlying branches and modernization of its main store. Another St. Louis store, Stix-Baer & Fuller, will soon engage in bank financing for funds with which to modernize and enlarge its present store and to carry out other plans, still undisclosed. Scruggs-Vandervoort Barney, Inc., is moving in a different direction. It has just bought control of a Kansas City store.

Allied Stores Corp., operator of the country's largest department store chain, is also reported to be considering postwar expansion plans. Allied, however, has been spending more of its time recently trying to devise a plan under which it could correct a disproportionate investment in buildings and real estate and use more of its capital to better advantage in the merchandising business.

• **A Program Evolved**—Such a plan has finally been worked out. Allied has just sold all but a small part of the properties it owned to a subsidiary of Union College for \$16,100,000, approximately its book value, and should add, after paying off mortgages now owed, more than \$8,000,000 of cash to its working capital. It has leased most of the properties back for 60 years and believes that it has now licked its long troublesome real estate problem.

New City Taxes

Many municipalities turn service fees and special levies to boost revenues. New sources are surveyed in 86 cities.

Most municipal authorities are aware that owners of homes and business properties can't stand much of an increase in real estate taxes. Faced with rising operating costs, city officials are forced to tap new sources of revenue or increase the take from the old.

• **Survey of Cities**—The International City Managers Assn. has completed a study of 86 cities (10% of the nation's towns with 10,000 or more population) which shows that new sources of revenue now include service charges for garbage collections and the use of sewers, new forms of amusement taxes and license rentals for airports, parking space on city streets and municipally owned parking lots, new forms of utility taxes, and special business fees.

Columbus, Ohio, for example, according to the report, expects to collect as much as \$850,000 of this year's city budget of nearly \$3,000,000 through a new 5% consumers' utility tax. This will be added to all city water, electric light, and telephone bills and collected for the city by the companies involved. Last year Columbus instituted a new garbage collection tax which has since provided the city with some \$325,000 of added revenues.

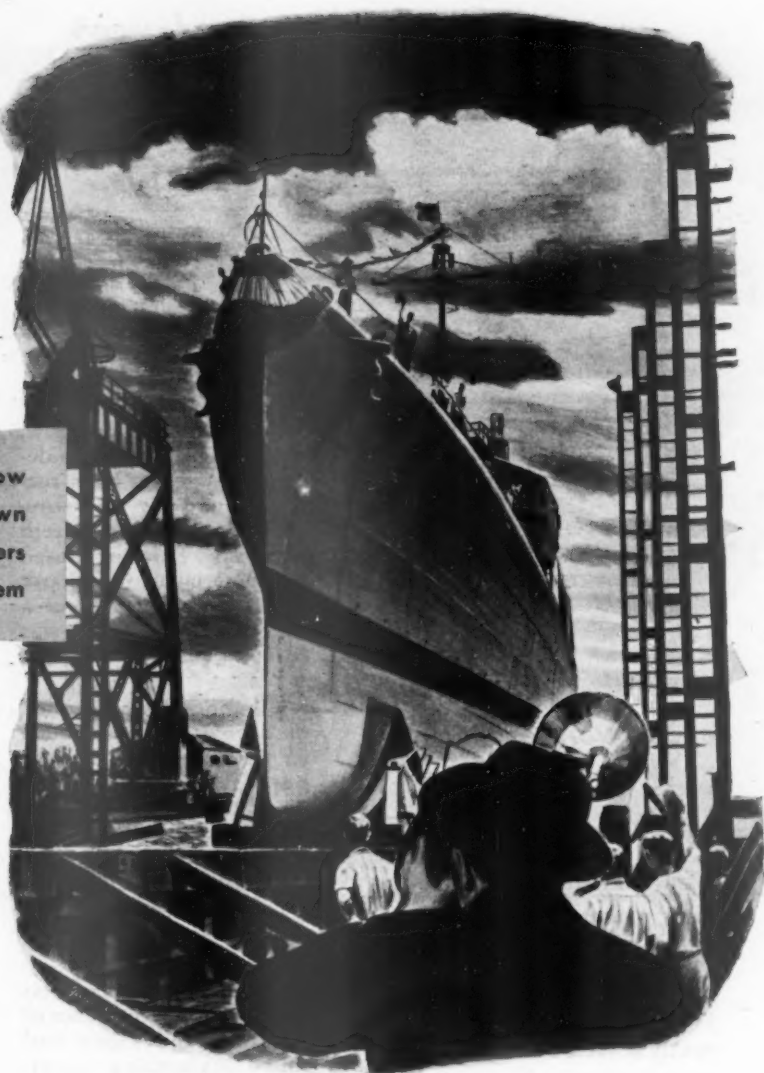
• **Sales Tax**—San Bernardino, Calif., provides another example of municipal financing. It has placed in effect a 1% sales tax, which may bring around \$400,000. Philadelphia, for some time has levied an income tax on the salaries paid to individuals. Philadelphia business houses, which has proved very profitable to that city.

Grosse Point Park, Mich., expects to increase its 1945 revenues some \$5,000 by eliminating the discount formerly allowed to encourage prompt payment of its water bills, and to raise annual revenues by as much as \$150,000 through operation of recently instituted water meter service charge. Saginaw, Mich., now has a municipal parking lot from which it is receiving \$500 of monthly revenues. Greeley, Colo., anticipates \$3,500, \$5,000 annually from a similar undertaking.

• **Garbage Tax Leads**—Most people as a new source of municipal revenue, however, has been a charge for collection of refuse. Over 20% of the cities covered in the survey adopted a levy of that type within the last year.

GREASING THE WAYS

It took more than fallow
to send destroyers down
the ways in the numbers
in which we needed them



New battleships and carriers by the score had to be constructed—and destroyers by the hundreds to protect them.

It is 1935 . . . the New Deal celebrates its second birthday . . . and, almost to the day, a man named Hitler, in Germany, scraps the Versailles Treaty, begins to build a conscript army.

France seeks help unsuccessfully. Russia plans an arms increase. Conferees meet at the White House to discuss the situation, but no comment is forthcoming.

The Normandie sweeps across the ocean in the amazing time of 4 days, 15 hours and 5 minutes. A United States destroyer is launched at the Bath Iron Works, in Maine—eleven and a half months from the day the keel was laid. The company applies to the Bank of the Manhattan Company, in New York, for loan to enlarge its ship-building facilities.

Then, in October, Italy invades Ethiopia. Newspapers scream, WAR BEGINS! But nobody takes it seriously. Mussolini is cut off the air in order that the World Series may be broadcast from Wrigley Field, Detroit.

That year, also, 500 died in a Florida hurricane. The Supreme Court threw out

the NRA. At Manila, the Filipino Commonwealth was inaugurated. And, though it never made print, the loan application of the Bath Iron Works was granted and the company began a gradual expansion of its shipyard facilities. The year—and the world—sped on.

The world sped on several years. Ethiopia was conquered. Hitler moved into Austria with a vast army. The war was really on. We were fortunately far from the scene, but, to insure our protection, a deal was arranged with Great Britain—whereby we traded 50 destroyers for strategic bases. Seven of those destroyers had been built at the Bath Iron Works.

Then—Pearl Harbor. Our fleet lay on the bottom in ruin. New battleships and carriers by the score had to be constructed

—and destroyers by the hundreds to protect them. And, because of such things as a bank loan made six years earlier, we were not wholly unprepared for this gigantic task.

* * *

Today, at the Bath Iron Works, a destroyer is launched in four and a half months from keel laying, instead of almost a year, as formerly. And, down the ways, ready for fitting, slides—not one destroyer every two months—but one every two weeks! From a nation whose naval strength was seriously threatened so short a while ago, we have become, in just ten years, the greatest naval power in history—supreme upon the seas of the world. Bank of the Manhattan Company, New York, N. Y. Member Federal Deposit Insurance Corporation.



Our fleet lay on the bottom in ruin.



How a Disstoneer Solved the case of the Plastic Board

An aircraft manufacturer had a tough problem—cutting 2" thick sheets of plastic material into parts for panel boards. A 14" solid tooth circular saw, with straight-front, carbide-tipped teeth had been recommended by someone else. There were 36 teeth in the saw. This saw caused the material to feed hard, and often scorch. After a short time the operator was ready to quit.

*Another clear-cut case
of Disston leadership!*



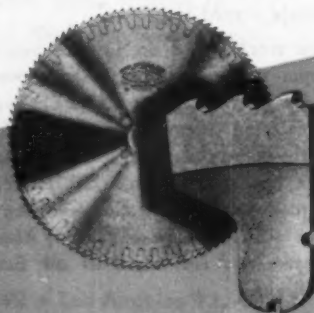
You may never have occasion to cut a plastic of this character, but there may be other cutting problems in your plant that can be correctly solved by the use of one or more items in our line of

DISSTON STEEL SPECIALTIES

These Disston Steel Specialties cover a wide range of products—cutters of various types, knives, machine scraper blades, perforators, slitters, liner plates, wearing plates, slotters, etc. Among these specialties, you may find the exact tool to meet some definite need now confronting you. Write for full particulars.

A Disstoneer*, who studied the problem, recommended an alternate top and face bevel, carbide-tipped tooth, inserted section saw with 84 teeth. Greater production resulted, scorching was eliminated, and there was less fatigue for the operator.

***DISSTONEER**—a man who combines the experience of Disston leadership and sound engineering knowledge, to find the *right tool* for you—to cut metal, to cut wood and other materials—and **TO CUT YOUR COST OF PRODUCTION**—not only on special work, but on ordinary jobs as well.



HENRY DISSTON & SONS, INC., 628 Tacey, Philadelphia 35, Pa., U.S.A.

Equitable Again

Insurance concern closes second private-purchase bond deal. Trend away from public offerings accelerated.

The Equitable Life Assurance Society, which recently jolted Wall Street by outbidding two prominent underwriting groups for \$53,000,000 new Pennsylvania R. R. bonds (BW May 19'45, p64), has bought another block of new bonds direct from the issuer. Involved in Equitable's latest purchase were the \$25,000,000 16-year 3% debentures just sold by Gimble Bros., Inc. (page 70).

• **Looks Like a Thread**—Equitable, however, isn't alone in active endeavor by direct purchase of bonds or straight term-loans, to increase the income from investment portfolios in these days of easy money conditions. Other insurance companies, as well as banks, are following a similar course.

Corporations, also, have been showing more and more willingness to finance privately since that method lowers underwriting costs and likewise saves some of the trouble and expense of preparing the voluminous data that must be filed with the Securities Exchange Commission when securities are offered publicly. As a result, a well-defined trend towards private financing instead of selling securities publicly is discernible. Corporate participants, moreover, have included both large and small factors in widely varied lines.

• **Wall Street Rides Along**—Commitments for underwriting and selling new issue offerings to the public prove Wall Street with a good part of its income. Obviously, it doesn't like to trend.

The Street, however, has been made wiser by its many lean years since the fabulous 1920's. It has learned to "ride" punches. Instead of trying to fight the trend, Wall Street is now participating in the wave of private placements. More than one prominent underwriter is picking up a little change by arranging such deals and bringing buyer and seller together.

• **Other Deals Pending**—More private financing plans are in the works. United-Rexall Drug Co., main subsidiary of United Drug, Inc., will soon issue \$21,000,000 20-year 3% debentures, an insurance group and \$7,000,000 24-year 24% serial notes to banks to fund some \$29,000,000 of publicly outstanding 4½% preferred stock and 3½% debentures.

Warner Brothers Pictures, Inc.

She's playing the lead in a Temple Bailey romance...



... speak up, Lever Brothers,*
there'll never be a better time!

THERE'S no mistaking it, she's the young type. She's alert, alive, emotional! And right now, she's all wrapped up in a thrilling new romance by Temple Bailey. In *Cosmopolitan*, of course, favorite magazine of the alert, younger set.

Temple Bailey's tales are typical of the great writing in *Cosmopolitan*. Great writing makes great reading!

It paints life in glowing colors. It makes a girl want to raise her sights socially—and every other way.

That's where *you* come in, Lever Brothers! This is the perfect moment for your message. Tell her now, as you've told her so often in *Cosmopolitan*, how Lux Soap and Lux Flakes will guard her complexion... her fine fabrics. Speak again about Vimms.

Sell her Swan, too, for her beauty bath.

She's been through the exciting world of Temple Bailey and Faith Baldwin. She's been living the glamorous life so deftly drawn by all the other famous *Cosmopolitan* authors.

Remember—emotion makes wars. Emotion makes marriages. And emotion makes sales.

*An advertiser in *Cosmopolitan* since 1918.

Cosmopolitan

GREAT WRITING MAKES GREAT READING

Emotion makes Wars ✓
Emotion makes Marriages ✓
Emotion makes Sales ✓



New valve gives transfusion to damaged hydraulic gear

Many a plane has been saved from a crash by Kidde Power Actuation. Now, a new Kidde-designed shuttle valve makes Power Actuation still simpler, still more effective.

Here's how it works.

When enemy bullets damage a hydraulic supply line, the turn of a handle releases the energy of compressed air, stored in a Kidde cylinder . . . sends it through an emergency supply line.

Then the shuttle valve goes into action.

Actuated by the air pressure itself, the valve automatically switches the landing gear—or other hydraulically operated mechanisms—from hydraulic line to air line . . . saving an extra operation for the pilot.

Designed at the request of a leading manufacturer of Navy fighter planes, the Kidde shuttle valve is one more instance of Kidde engineering, successfully applied to the task of making combat flying safer today . . . as it will make all flying safer tomorrow.



Cases-under-pressure, harnessed by Walter Kidde & Company, are serving our fighting men in many ingenious ways. After the war they'll serve you. Look for them!



Walter Kidde & Company, Inc., 140 Cedar St., New York 6, N. Y.

The word "Kidde" and the Kidde seal are trade-marks of Walter Kidde & Company, Inc.

another concern about to complete a private refunding deal. It will borrow \$17,000,000 from six banks on 2% notes maturing serially to 1952. The Summit Co. has also obtained an \$8,000,000 15-year loan from a bank and insurance group to retire all its publicly outstanding debenture 4s.

Others engaged in similar financial deals lately have included such varied companies as Lukens Steel Co., Plumb Tea Co., Truax Traer Coal Co., National Tea Co., National Distillers Products Corp., American-La France Foam Corp., and Copperweld Steel Co.

P. S.

Negotiations for merging the Gulf Mobile & Ohio and Alton R.R. systems have been successfully completed in the short time since the original proposal was made to the Alton security holders (BW-Apr.28'45,p74), and the Interstate Commerce Commission has scheduled a hearing for June 13 on the G. M. & O.'s petition to acquire the Alton and issue the bonds necessary to finance the deal. . . . Stockholders of Eureka Vacuum Cleaner Co. and the Williams Oil-O-Matic Heating Co. have approved acquisition of the latter by Eureka (BW-May19'45,p57), and Eureka has sold 122,500 shares of its common stock at a price of around \$5 to finance the purchase.



FOR A BIGGER PONY EXPRESS

When Wells Fargo stockholders voted to merge their Cuban and Mexican companies into Wells Fargo & Co. under Elmer Jones (left), president, and Ralph Reed, chairman, they eased the way for participation in a Caribbean tourist boom for which the company has already laid a strong foundation as biggest tourist agency in Mexico and handler of American Express business there. The merger will also permit expanded transcontinental freight and armored car services—modern equivalents of the company's historic "pony express."

"Old Faithful"

Mile after punishing mile, this GATX tank car has rolled on, speeding sulphuric acid to munitions plants. General American engineers designed it with special facilities for hard-to-handle acids. General American built it with the stamina to stay on the job during unprecedented wartime usage.

All the thousands of cars in the General American fleet are showing industry the safest, surest, most economical method of transporting bulk liquids.



For Your Postwar Products

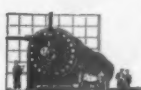
Your company may be developing liquid commodities never shipped in bulk before and difficult to handle. General American will plan with you now the tank cars to carry your products economically.



Loaders and Operators of
General Railroad Freight Cars



Bulk Liquid
Storage Terminals



Process Equipment
of All Kinds



Pressure Vessels and
Other Welded Equipment



Aerocoach
Motor Coaches



Precooling Service for
Fruits and Vegetables



**GENERAL
AMERICAN
TRANSPORTATION**
CORPORATION
CHICAGO

LABOR

Strikes Test New Union Power

NLRB tabulation, as well as outcropping of serious labor trouble in industrial centers, makes it clear that unions have begun determined fight to hold their wartime gains.

This week the National Labor Relations Board's tabulation of actions under the Connally-Smith Act showed that in May 56 strike votes had been conducted. This is a new record under the law. In the same month, 161 petitions for a vote on striking were filed and, as of the beginning of June, 155 were pending.

From these figures, as well as from reports of serious labor trouble in Chicago (page 88), Detroit, Akron, Scranton, and from industrial centers on both coasts, it was clear that preliminary skirmishes had begun in organized labor's fight to maintain its wartime gains (page 124). The intensity of the battle now beginning will determine the temper of the labor front for at least the next two years.

• **Strength at Peak**—The unions enter that battle with greater strength than

they have ever had before. At the close of 1944 they had 13,750,000 members, a peak in ten years of unprecedented growth (see chart: Rise of Union Membership). They had established a great base in the manufacturing industries where they formerly were unable to secure an enduring foothold (see chart: The Shift in Union Domain). And the bulk of the membership was bound to the unions by being employed under contracts which provided for union security of one type or another (see chart: Union Contracts—What Kind).

In fighting to maintain its position, organized labor will give a major share of its attention to holding and making more binding union security arrangements. The tightest form of union security is the closed shop—an undertaking in which the employer is bound to hire only union members through the union.

With no important exception, this arrangement is sought by all craft unions.

• **Paper Work Avoided**—An industrial union like the coal miners, which is powerful enough to get the closed shop if it wanted it, is satisfied with the union shop—an arrangement which gives the employer the right to hire whom he pleases so long as each employee, after a specified time, applies for union membership. Industrial unions which cover a number of different occupations forswear the closed shop because they do not want the trouble of all the paper work necessary to fill the scores of different jobs the employer may need filled.

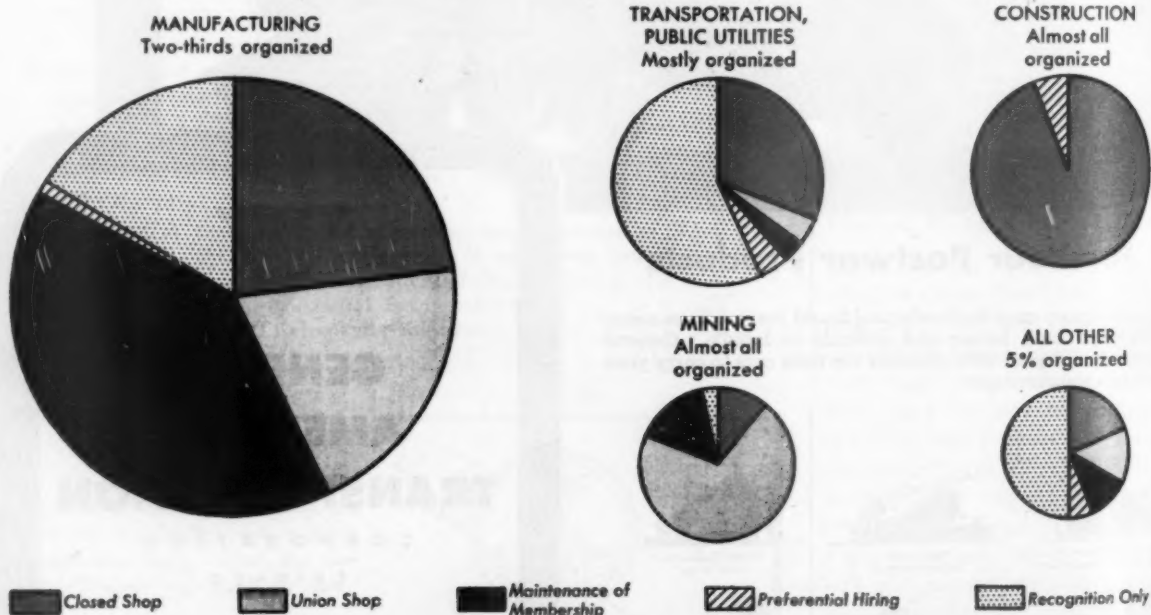
Maintenance of membership, a wartime compromise between the union shop and simple union recognition, provides that each union member will stay a union member in good standing during the life of the contract. It has come to be a standard award of the National War Labor Board and it is imposed only after a 15-day "escape period" during which employees may elect not to be bound to continued membership.

• **Trouble Spots**—Preferential hiring, a comparatively rare arrangement in most industries, favors the union by providing that preference will be given to union members when new employees are hired.

"Recognition only" signifies that a union, beyond the recognition accorded

UNION CONTRACTS—WHAT KIND

How the 14½ million workers employed under collective bargaining agreements are distributed, by type of contract

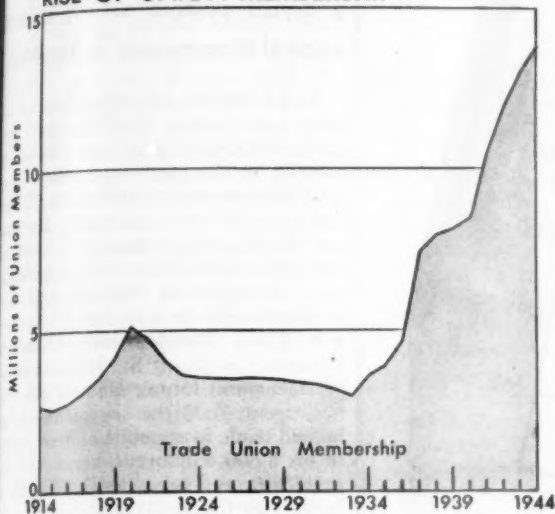


Data: Bureau of Labor Statistics

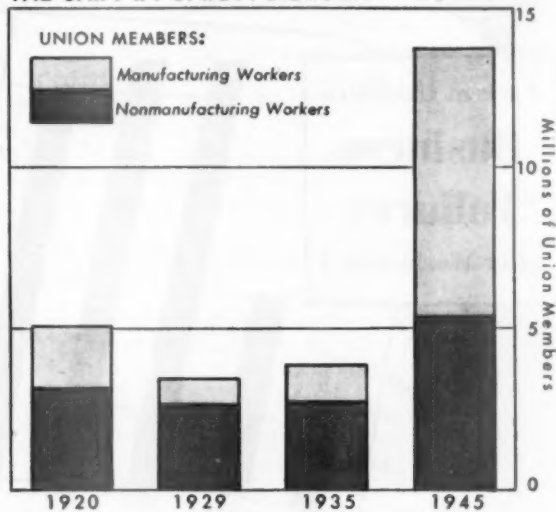
© BUSINESS WEEK

UNION LABOR—HOW IT HAS GROWN

RISE OF UNION MEMBERSHIP



THE SHIFT IN UNION DOMAIN



PROPORTION OF EMPLOYEES UNDER UNION CONTRACT, BY INDUSTRIES. 1938 VS. 1945



Data: National Bureau of Economic Research, Bureau of Labor Statistics

© BUSINESS WEEK

it as a bargaining agency, has no job control or job preferment for its members.

It is over these arrangements that many serious strikes will be called.

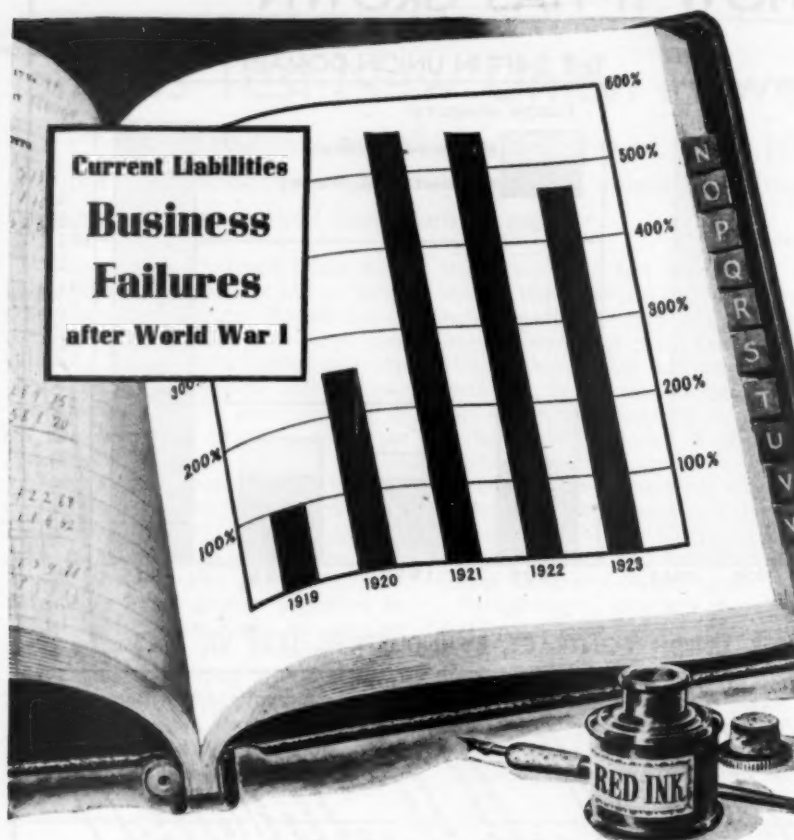
• **Emphasis on Security**—The old-fashioned organizing strikes are largely a thing of the past. Since the C.I.O.'s defeat in the Little Steel strike of 1937,

the labor movement has become proficient in making use of the Wagner Act, securing recognition by NLRB poll instead of picket lines. In the last seven years, almost all employers in the mass-emplying industries have signed union contracts (see chart: Proportion of Employees Under Union Contracts by Industries). Most strikes which loom will

be called to get the unions more advantageous contract terms and to increase the degree of union security.

Organizing strikes will also be rare because they are a phenomenon of the expansionist phase of the labor movement. And in the period ahead, labor, on the defensive, will use its strength to hold onto as much as it can.

Do you face RED INK if history repeats?



Failures Multiplied after World War I. In just two years . . . from the 1919 level . . . current liabilities involved in commercial and industrial failures jumped 454%.

Will History Repeat? No one knows. Even now . . . upsets caused by unforeseen developments after goods are shipped may leave customers frozen . . . or worse. That's why manufacturers and wholesalers in over 150 lines of business now carry American Credit Insurance . . . and why you need it too.

American Credit Insurance **GUARANTEES PAYMENT** of your accounts receivable for goods shipped . . . pays you when your customers can't. Don't face the uncertain future unprotected. Write now for more information to: American Credit Indemnity Company of New York, Dept. 42, First National Bank Bldg., Baltimore 2, Md.



J. T. F. Fadden
PRESIDENT

**American
Credit Insurance**

**Pays You When
Your Customers Can't**

OFFICES IN PRINCIPAL CITIES OF UNITED STATES AND CANADA

Word from Jack

A hot-and-cold incident in Cleveland reveals the details of a layoff system which fails to appeal to company "associates."

Jack & Heintz, Inc., Cleveland aircraft parts manufacturer which has built up cream-of-the-crop production force and stepped on the toes of all other Cleveland industry with unorthodox 72-hour and even 84-hour work weeks, last week saw the ominous shadow of cutback and responded with another unorthodox move—a suggestion that resignations of workers would be welcomed.

• **A Day's Developments**—Overnight, however, William S. Jack, company president and former labor union business agent, ruled the suggestion, which he had made over public address system to his 8,600 employees—known to Jack & Heintz as "associates." Within 24 hours Jack found (1) that he had been awarded \$24,000,000 in new contracts with another \$15,000,000 to come, and (2) that his highly-prized, and expertly gained, plant morale had been dealt a serious blow.

Blandly, Jack took to his microphone to tell associates that he had been misinterpreted. The resignations he had meant, he said, were only from "ma-



Back home after a four-weeks' trip over German battlefields, William S. (Bill) Jack of Jack & Heintz, Inc., Cleveland, looks for pointers in a Nazi compass that might prove valuable to American designers. The trip, taken on the invitation of military authorities, netted Jack a 4,000-lb. collection of German flight instruments for study at his company's laboratory.

THE LABOR ANGLE

Consistent

There is nothing unusual enough to be newsworthy in the fact that C.I.O.'s United Auto Workers has announced that it will demand a pension program from the Ford Motor Co. when it negotiates its next contract. Such union demands are common these days. What is significant, however, is that, while labor's attitude on welfare plans appears to have described a full circle, actually the appearance is deceptive.

When in the process of organizing, unions brand as reactionary paternalism all employer welfare activity. A union organizer sets out to convince employees that company interest in their welfare is in lieu of higher wages; that it is a device to buy their loyalty at a bargain price; that it stems from an employer condescension which is characterized as meaning, "We know better than you what's good for you." So often and so thoroughly did unions attack pension and other welfare plans that it came to be assumed that organized labor was against such things on principle.

But the grounds on which unions oppose pensions disappear once a union establishes itself as employee representative. The union leaders can't admit that they aren't wringing the highest possible wages from the employer. They know that, once unionism is established, the competition for employee loyalty shifts to other planes. And, finally, the union's whole philosophy rests on the claim that collective bargaining means employer-employee equality, with condescension impossible.

Therefore, there is nothing inconsistent in a union's attacking a pension plan while it is organizing and then demanding one when it is bargaining agent. Organized labor's attitude hasn't changed. It's the situation—unionization of a large section of industry—which is different.

Fees

Concerned over increasing signs that returning veterans going into jobs controlled by A.F.L. craft organizations are resenting stiff initiation fees to the extent of becoming articulate antiunionists (BW—May 26 '45, p106), a number of federation affili-

ates are preparing to make special provision for ex-servicemen. A.F.L.'s railway carmen have already authorized their locals to waive these fees, and other unions can be expected to follow this lead.

Portal-to-Portal

Neither the mine workers union nor the Wage-Hour Administration are the slightest bit concerned about efforts that the southern coal operators are making to have the U.S. Supreme Court rehear the Jewell Ridge case, in which portal-to-portal travel was held to be work time (BW—May 12 '45, p96). The petitioners base their plea on the impropriety of Justice Hugo Black's participation in the decision which split the court 5 to 4. Black, as a senator, was the joint author of the wage-hour law and his objectivity in interpreting it as a judge is being questioned.

But even if the high court agrees to rehear the case without Black no change in the positions of the other justices is expected. Because the lower court ruled in favor of the Wage-Hour Administration a 4 to 4 decision of the Supreme Court will leave the lower court decision affirmed. Thus the net result won't be any different—except that the operators might find some moral satisfaction in an evenly split court.

Wage-hour lawyers are much more interested in getting the principle of travel pay applied in other industries. They have filed a suit in Portland, Ore., asking travel pay from the lumber industry for workers in the woods. Other test cases in other industries are being prepared.

Portent

Portending what employers who deal with Communist-influenced unions may soon expect when the "party line" swings back to its more normal leftist position, the Daily Worker is publicizing the withdrawal of the United Electrical and Radio Workers (C.I.O.) from the labor-management committee in the Emerson Electric Corp. When the reversal of present party policy is complete, a lot of labor-management plant committees—as well as the co-operative spirit behind them—are going to be torpedoed.

ents, sluggards, drones, and trou-
makers." Others are assured of a
s work even if no more orders are
eived. His persuasive powers appear
e bearing fruit.

Layoff System—The outcome ap-
s to be that Jack has tipped his hand
his version of a layoff system, and
his associates have shown that it
uld not have the desired result of
ending the pink-slip method of re-
ing plant forces.

Jack's proposed system calls first for
uction of the work week to 48 hours,
imately to 40 hours. At present,
t shift associates work 60 hours a
k (five 12-hour shifts) and day shifts
k 52½ hours a week. This announce-
ent alone brought weeping, wailing,
and gnashing of teeth from associates
p saw fabulous take-home pay going
immering.

Back to the Homes—Next he would
e mothers and married women with
king husbands resign in order to go
k to their homes. Likewise, he feels
t men and women who "enlisted"
h Jack & Heintz for its war work—
d high pay—should go back volun-
y to their old jobs and professions.
e has now let it be understood that
ey are temporary associates in his
es, will be sacrificed if necessary to
erve the livelihoods of family bread-
nners and returning servicemen.

Meanwhile, issuance of stock certifi-
ates to associates (BW—Sep. 2 '44, p106)
continuing. Of a stock issue of \$16,-
0,000 authorized for associates, funds
ready have been paid in by associates
r shares valued at \$10,500,000. Funds
e being held in trust to finance post-
reconversion. This, of course, was
entioned by Jack in his resignations
atement: any reduction in the work
ee, or in hours, will be undertaken
ly to safeguard the associates' own
vestment.

QUAL LIABILITY UPHOLD

Standard Oil Co. of California closed
s books on the incident when it paid
00 to Corp. John Etzel, who was
truck and injured by a Standard Oil
truck in Los Angeles a year ago.

The U. S. government opened the
books again in April by suing Standard
oil in U. S. District Court there for
\$92,56, the cost of Etzel's hospitaliza-
ion and wages during the 29 days he
was immobilized. The government's
grounds: that the Army was deprived of
Etzel's services for that period. Last
week a federal judge ruled that the gov-
ernment could collect if the soldier was
injured through no fault of his own.
Standard Oil was directed to pay the
claim despite its assertions of contribu-
tory negligence.

TAKE A LOOK INTO YOUR FACTORY



YOU MAY FIND
IT WISE TO

Decentralize Air Supply WITH WAYNE AUXILIARY UNITS



Ask for your copy
of this booklet and
catalog of Wayne
Compressors.

STUDY your air requirements and discover what departments could increase production if more air power were available. See if some operations could be improved through the use of air at different pressures. Check to see if your present central unit is overloaded or badly in need of repair. In any of these eventualities you will find the right answer is the use of Wayne smaller compressors spotted here and there in your plant. If you are adding a new building, this is the ideal way to provide economically the needed expansion of air service. Get the facts on this money-saving Wayne Auxiliary Unit Plan now.

Industrial Division
THE WAYNE PUMP COMPANY
FORT WAYNE 4, INDIANA

Wayne

AIR COMPRESSORS

Indirect Increase

Boosting wages by cutting work week occurs as solution of reconversion problem; truck case showdown postponed.

A union demand that the National War Labor Board authorize shorter hours of work in the trucking industry has presented the agency with one of its knottier reconversion wage problems. Prospects that the case would set important reconversion precedents on the whole wage front dimmed, however, when this week's hearing turned to technical questions applicable only to the transportation industry.

• **How Issue Arose**—The row began when members of an independent Chicago union of truck drivers sought shortened work week and a wage increase that would still boost their take-home pay. NWLB's trucking commission reduced the basic hours of work from 51 hours a week to 48 hours and increased the basic hourly wage by 8¢ an hour. (Overtime pay rates do not generally exist in the business).

This did not satisfy the drivers for their total weekly wage was only fractionally higher, the 8¢ boost barely serving to offset the reduction in hours. When the case was appealed to the full board, the reduction in hours of work was not allowed but the 8¢ an hour wage award was retained, thus boosting drivers' take-home pay significantly.

The board found that its wage policy did not permit a reduction in hours. It justified retention of the 8¢ an hour award on the following basis: 2¢ under the Little Steel formula, and 6¢ in lieu of overtime and other adjustments, in general considered impractical in the transportation industry.

• **Reexamining Basic Policy**—As a result of the hearing the board is now reexamining its entire "in lieu of" policy to determine whether it precludes reductions in hours and other adjustments which might have an easing effect in the reconversion period.

In one of his rare appearances before NWLB Daniel J. Tobin, president of the A.F.L. Teamsters which intervened in the case, asserted that the Teamsters International has pledged to find jobs for 107,000 union members now in the services and added that it could not be done on a 51-hour week.

• **Seizure Only Technical**—The properties involved in the strike—the Central Motor Freight Assn.; the Illinois Motor Truck Operators Assn.; the Cartage

Exchange of Chicago—are all under technical seizure by the Office of Defense Transportation as a result of a recent strike by the independent union. The seizure was never completed because the strike was called off before the ODT took over.

The case also involves the unions' contention that the 8¢ an hour boost is inadequate and the companies' counter assertion that a 6¢ an hour increase in January, 1941, should have been considered in calculating the amount due under the Little Steel formula. Other issues include a guaranteed 48-hour week, increased vacation, and retroactivity of proposed adjustments.

More Work Comparatively—A complicating question is a contention of the unions that their members are suffering a disadvantage with respect to hours of work in comparison with the hours of work of platform loading employees working for the same companies, and with the hours of work of milk drivers serving the Chicago area.

COMPENSATION BOOSTED

Michigan has boosted its ceiling on unemployment compensation to \$28 a week. The raise comes at a time when increasing layoffs are threatening to put a severe strain on relief funds which have reached record totals during the heavy wartime employment period.

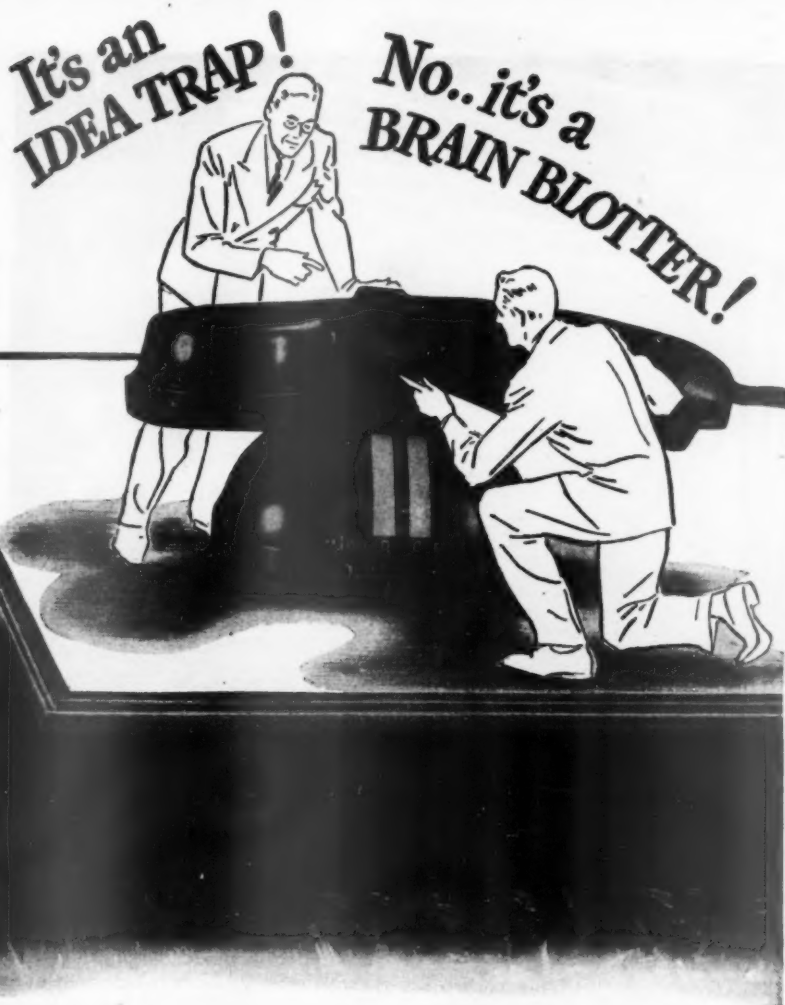
New legislation gives unemployed parents \$2 per week additional for each child up to four on top of the \$20-a-week base. The increased compensation is said to make Michigan's benefits the highest of any state. Payments may continue up to 20 weeks of unemployment.

Coupled with the increased benefits was an increased assessment on employers. Henceforth they will be required to contribute 3% of their payrolls through 1946 until they have accumulated reserves equaling 5% of their taxable wage payments.

DETROIT RECESS

Detroit has its reconversion disemployment problems, although they are not so severe as those in communities which have no waiting civilian industry, such as autos, to take up the slack of production and employment left by cutbacks in war orders.

Less than ten weeks from a time when incessant demands for more war workers made it a Group I (critical) production area, Detroit last week was reclassified into Group III (where the labor supply exceeds the demand). This change—resulting from layoffs variously estimated at from 50,000 to 150,000 in aircraft plants and subcontractors' fac-



You get an idea. It's worth money to your business. You'd like to get it down on paper right now. But your secretary is "away from her desk"—your 'phone rings—a caller comes in—time passes—and the idea is gone.

Your desk is piled with work. Your brain is full of it. You can't think about anything else until that work is out of the way. How much more *constructive* thinking you could do if you could blot that work out of your brain in half the time!

* * *

Call it an "idea trap"—call it a "brain blotter"—the Edison Electronic VOICEWRITER could do great things for you and your business. Why not find out more about it? Just phone Ediphone, your city, or write Thomas A. Edison, Inc., Dept. C-6, West Orange, New Jersey. (In Canada, Thomas A. Edison of Canada, Ltd., 29-31 Adelaide Street West, Toronto 1, Ont.)

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from the CARDOX case record . . .

Out of actual on-the-job fire experience comes evidence of the ability of Cardox Fire Extinguishing Systems to stop even big fires fast. File No. S-63, taken from an investigator's report on Cardox extinguishment of a tough transformer fire is a typical example:

"The fire occurred in the outdoor transformer area. It was caused by a short in the 2500-volt bus section and quickly ignited a protective screen above the busses. This protective screen consisted of burlap, rubber sheeting and plywood.

"The Cardox System was actuated automatically and worked perfectly . . . in less than a quarter of a minute (after mass discharge of Cardox CO₂ began) the fire was extinguished. No serious damage was done and operations were resumed after a very small delay. The swift and efficient operation of the Cardox System prevented at least \$150,000 damage."

The danger spots in your plant may not be similar to the one described in FILE S-63. But, if for example they involve flammable liquids or electrical equipment of any kind, Cardox offers maximum protection with fast-acting, non-contaminating carbon dioxide . . . in pounds for small fires . . . and tons for large ones!

For all Cardox Systems have one out-

standing characteristic which greatly increases the scope of usefulness and performance value of carbon dioxide in protecting large and small hazards!

This characteristic is the distinctive Cardox method of control and engineered application of liquid carbon dioxide, stored at 0° F. and 300 p.s.i. in a single storage unit containing from ¼ to 125 tons of fire-deestroying Cardox CO₂ . . . enough to handle large fires in single or multiple hazards and leave an ample reserve for new emergencies!

If you have fire problems that are hard to handle, low pressure carbon dioxide can frequently provide the effective answer. A study of your specific fire hazards by Cardox Research Division and Engineering Staff puts you under no obligation. Write for Bulletin 1065.

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District Offices in
New York, Washington, Detroit, Cleveland, Atlanta,
Pittsburgh, San Francisco, Los Angeles, Seattle,
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Cardox CO₂ is supplied instantly in pounds or tons from a single Storage Unit containing 500 pounds to 125 tons at controlled low temperature of 0° F. and 300 p.s.i.



tories—reflects a general Washington policy to clear Detroit decks for resumption of passenger car production. Whenever a choice has been possible, war contracts have been canceled in automotive plants instead of in other production fields.

Automotive supplier plants already are beginning to absorb displaced men as they move to fill orders. Car makers will need only makeready crews for civilian goods allotments up to August but thereafter will begin to hire and materials flow smoothly, likely will increase payrolls steadily in proportion to the increased output rate.

SHIPYARD MUST AID UNION

A broad union security clause—which provides that the company must urge all employees to join and maintain their membership in unions is the latest answer of the National War Labor



LAW BITES MAN

William Patterson, Pennsylvania coal miner, gained distinction this week in Pittsburgh. He is believed to be the nation's first miner to be sent to jail for violation of the Connally-Smith War Labor Disputes Act. In 1943 he was given a six-months' suspended sentence—with 27 other miners—for fomenting walkouts in government-operated mines. The court, despite protestations of innocence, directed that Patterson serve the original suspended sentence after probation officers accused him of being behind work stoppages at a Jones & Laughlin mine last February, violating the terms of his probation.

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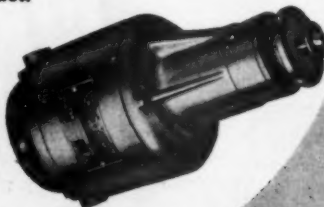
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These advantages offered by Lamb Electric fractional horsepower motors are well worth considering:

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2. Lower weight and greater compactness resulting from special motor design.
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Our thirty years' experience is available to your engineering department.

Universal motor with shaft carried on double row ball bearings; developed for use as a high-speed grinder.



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Here, at Erie Resistor, we have all of these qualifications. Every product submitted to us for quotation, whether entirely new or a reproduction, is carefully analyzed from an engineering and production standpoint, to insure your utmost satisfaction in quality and economy.

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Plastics Division
ERIE RESISTOR CORP., ERIE, PA.

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Do More Than Before—Buy EXTRA War Bonds

Board's Shipbuilding Commission to union demand for a union shop.

In a case involving the Ingalls Shipbuilding Corp. of Pascagoula, Miss. and the Metal Trades Council (A.F.L.) the commission—with labor member dissenting—reversed usual procedure placing on the company the responsibility for union security emphasis.

Ingalls must urge all employees covered by the collective bargaining agreement to become members of their union and maintain the membership throughout the life of the agreement. The company also must instruct its employment office to advise applicants selected for employment that best interests of employees and company would be served by their becoming members of the union.

No compulsion is provided. Emphasis is placed on the encouragement of the company of voluntary union membership. If an employee—or jobseeker—chooses not to join, he still is entitled to his job, and if he joins and changes his mind he may resign—or just quit—paying dues—without the usual maintenance-of-membership penalty of forfeiting his work rights. A.F.L. was certified for the yard in 1940.

MORE PAY FOR PACKERS

Packing house workers who won through dressing-time pay and similar "fringe" demands, pay increases barred by the Little Steel wage stabilization formula (BW—Feb. 20 '45, p. 8) this week had the first dollar-and-cents idea of what their gain would be when the National War Labor Board approved two master agreements reached by the Meat Cutters & Butchers Union (A.F.L.) and two major meat packers—Swift & Co. and Armour & Co.

Under the agreements, some 10,000 A.F.L. packing house workers will receive an average of 24¢ an hour more (or 90¢ a week) to compensate them for the average twelve minutes a day spent changing into required work clothing. Another 14¢ an hour (50¢ a week) will be allowed for the purchase of the necessary outer garments.

Companies also must provide work tools and pay employees for time spent in repairing and preparing (sharpening) them. Correction of intraplant inequalities in wage structures (not to exceed an average of 2¢ an hour) also will be allowed.

The adjustments are subject to approval of the Director of Economic Stabilization if the Office of Price Administration finds that price relief for the industry is necessary.

Similar agreements are being worked out between C.I.O. packing house workers and the Big Four meat packers.

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Float IT INTO ANY POSITION

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Where instant, accurate and concentrated vision is required, install Dazor Floating Lamps. Why Dazors? Because they provide complete lighting flexibility at the critical work area. A guiding touch of the operator's hand floats the Dazor to the exact position desired, where—due to a patented, enclosed balancing mechanism—it stays put as firmly as a built-in light, without locking, until again moved. This individually-fitted lighting makes possible finer workmanship, less work spoilage, lower unit costs, and fewer accidents.

There is an experienced and cooperative Dazor-appointed distributor as near as your telephone. His wise application counsel is yours for the asking. Let him tell you the complete story—or, preferably, ask him to demonstrate a Dazor right on the job. His name, if unknown to you, can be secured by writing to the Dazor Manufacturing Co., 4483 Duncan Ave., St. Louis 10, Mo. In Canada address all inquiries to Amalgamated Electric Corporation Limited, Toronto 6, Ontario.

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DAZOR Floating LAMPS

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MARKETING

Ask Postwar Delivery Curb

Milk distributors' plan for state law to keep every-other-day wartime service to homes is squelched by California legislature after the A.F.L. teamsters call it threat to job opportunities.

After several years of war-enforced economies, milk distributors have decided that the savings in distribution costs that have resulted from every-other-day delivery, as ordered by the Office of Defense Transportation, are going to be hard to give up when the need for conserving manpower, fuel, vehicles, and tires is past.

• **New Controls Sought**—For the past couple of years, big milk distributors have been trying to devise suitable distribution controls for use when ODT steps out. Last week California's milk industry came out with the first of such schemes—and chalked up the first failure to achieve its objective. But it was only a first setback. In California and elsewhere other industry drives to preserve the advantages of regulated competition are inevitable.

Everybody in the business agrees that, desirable as every-other-day delivery has turned out to be from the industry's point of view, it would be impossible to continue it without governmental control. In the postwar scramble for what will probably be a contracting fluid milk market, some competitor would be sure to offer daily delivery in an attempt to build up a larger business—unless he was prevented by a law.

• **New Chapter Proposed**—California's postwar plan for continuation of every-other-day delivery was a new chapter to be added to the state's milk price control law. California is one of the states where resale milk prices are controlled by state legislation.

The new measure provided that whenever 65% of the fluid milk dealers who controlled at least 65% of the volume in any of the state's milk markets agreed to a distribution plan, that plan would become the law, enforceable in that area by the state Dept. of Agriculture. As for the distribution plan itself, it was to have been drawn up by any dealer or dealers controlling at least 51% of the volume.

• **Two Would Control**—Thus, had the California measure become law, in many of the state's milk markets the two largest distributors could have designed the distribution plan for them-

selves and for all their smaller competitors.

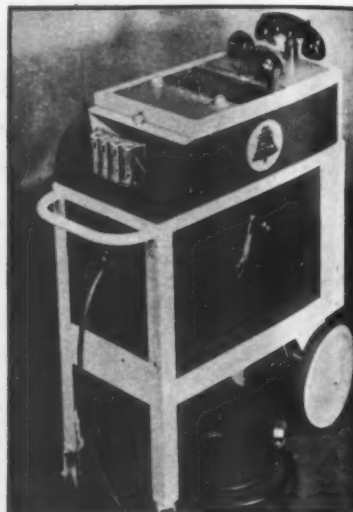
It was not their small competitors, however, who gave the measure its first setback. The legislation was stymied by labor pressure. The bill came out of committee with a 7-to-2 majority—the labor technique was a motion on the floor of the assembly to send the bill back to committee for further study. And while the proponents of the measure—most of the state's biggest milk distributors—don't admit defeat and may get the bill out again for a vote, they'll have to work fast because the legislators are anxious to wind up affairs and go home for the summer.

• **Fewer Jobs**—The basis of labor's opposition to the legislation was that every-other-day delivery cuts down job

opportunities at the very time that employment begins to threaten.

The distributors answered with another version of the make-work argument, insisting that the law would make more jobs. Their reasoning was like this: during the war great efficiencies in wholesale delivery (larger loads and the use of paper containers primarily) had so reduced costs of distributing to stores that after the war if there is daily delivery, the store differential (the difference in price between milk bought at stores and delivered to homes) will amount to something like 3¢. Such a big price differential, they argued, will throw more of the milk business to grocery stores and if that happens there will be fewer jobs for milk truck drivers because of wholesale driver deliveries as much as for home delivery drivers.

• **Union Will Wait**—Although the milk drivers have a healthy respect for store competition, the A.F.L. teamsters union apparently figured that the time to meet that threat is when they come face to face with it. Besides, the drivers have the history of the state's price-fixing activities for the past eight years to guide them. During that time the state's devaluation of prices cut down the store differential, not widened it, despite efficiencies in wholesale distribution.



BEDSIDE PHONE SERVICE FOR VETERANS

From his bed in the Camp Shanks (N. Y.) hospital a serviceman (left) talks to the folks at home over the new Telecart (right) which the New York Telephone Co. is installing in the large service hospitals around New York. Feature of the unit, which looks like a tea wagon, is the second phone, permitting two men to talk at once; a cord that unreels like a garden hose allows the cart to be moved from bed to bed. The trained operator plugs the unit into a wall jack, connects direct with the nearest long-distance station. By flicking a switch on the cart, she can connect with the hospital switchboard and pick up a waiting call on an auxiliary plug-in instrument for another patient.

G.A. Dives In

Big voluntary food chain will conduct full-scale test of frozen food departments in its 5,000 retail outlets.

To many a housewife, frozen foods—fruits, vegetables, meats, even baked goods and bakery goods—have become a staple as corn flakes, but the big volume, low cost food chains still fight shy of them.

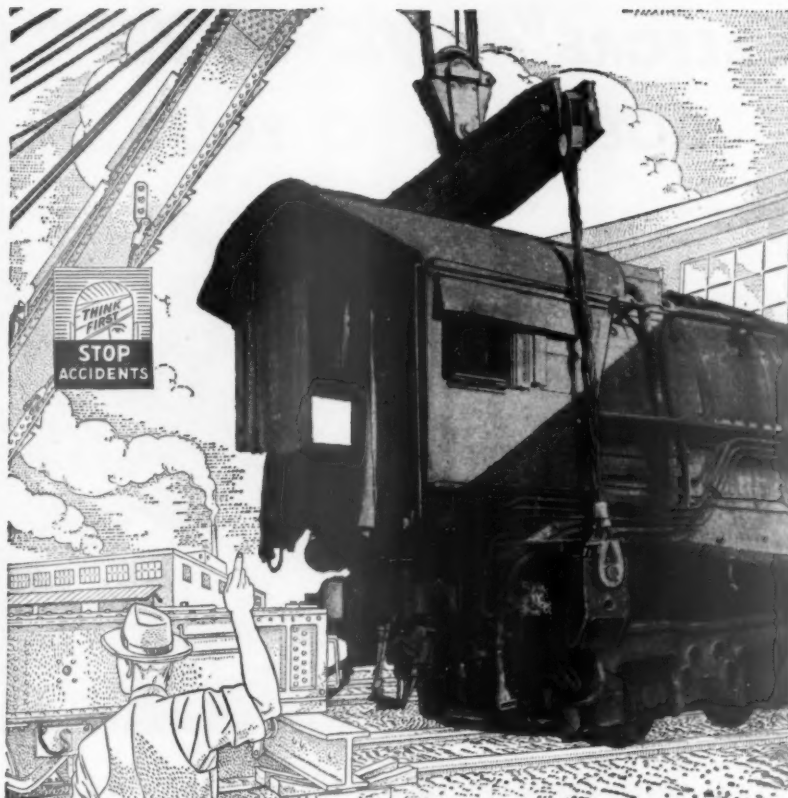
Reason: the mass distributors are afraid that the frozen foods are still too high priced in comparison with canned goods and with fresh produce in season for their trade; they fear they wouldn't be able to build the kind of volume they have to get out of every available square foot of selling space in their stores.

All-Out Test—Last week, one big chain, the Independent Grocers Alliance, one of the voluntary chains in the country, decided to put the problem to the test. J. Frank Grimes, bustling, bustling head of I.G.A. announced that super departments carrying a complete line of frozen foods would be installed as rapidly as possible in the chain's 5,000 member stores. First test installations are scheduled for 250 of the stores in the Middle West and East this fall as soon as equipment is available.

Typically, Grimes is going whole hog. The plan, built around a private brand line of frozen meats, vegetables, fruits and pastries, calls for giving one-third to one-half of a store's floor space to the new department, which will also handle a few other unfrozen perishable items. The big corporate chains, A. & P., Safeway, Kroger, and the rest, will watch to see whether Grimes, operating on this small scale, can ever succeed in cutting down the high costs of handling frozen foods to a point where they are in line with the margins that the chains regard as maximums in their kind of operation.

So All May See—As fast as an I.G.A. store converts to the revised plan it will build the new department at the rear of the store, separated by a non-frosting, double-glazed glass partition having a large entrance without doors. Standard airconditioning equipment will keep the temperature down to 60 degrees, as compared with an average 80 degrees in the front part of the store. The 60 degree temperature is cool enough to keep fresh fruits and vegetables crisp for the normal length of time they remain in stock.

Store butchers will cut, prepackage,



Fast turn-around . . .

Efficient lifts shorten lay-up time for critical equipment.

Still more important, they help to turn back hazards that may lay up *manpower*. Because all wartime waste is tragic, safety agencies deserve full cooperation in the drive to "Stop Accidents."

★ Even though your operators need not hoist a locomotive, as pictured above, give them the stout protection of Yellow Strand *Preformed Wire Rope* and *Yellow Strand Braided Safety Slings*. Both *preforming* and *braiding* add limberness and kink-resistance to traditional Yellow Strand durability. By providing more accurate control in material handling, they promote security and aid production. Remember the name: Yellow Strand.

Remember the patented constructions: *Preformed Wire Rope* and *Braided Safety Slings*.

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Keeping Television Clean

An irreverent gamin armed with chalk and a back-fence wit could make things painful for television broadcasters of news events in Ohio, under an extension of movie censorship now proposed in that state.

• The Ohio Senate has before it a bill to require that televised pictures have the approval of the film censorship division of the Dept. of Education before being broadcast.

The authors say they are concerned for school children who might be shown pictures conceivably not subjected previously to any federal censorship. Broadcasters point out, however, that under such rules all televised shows would have to be predated, and performances filmed to insure against deviation from the approved version.

• Likewise they would have no protection against impromptu audience participation in broadcasts of sports or other events.

Broadcasters' concern was not deep, however, for the expectation is that the bill will die peacefully in committee.

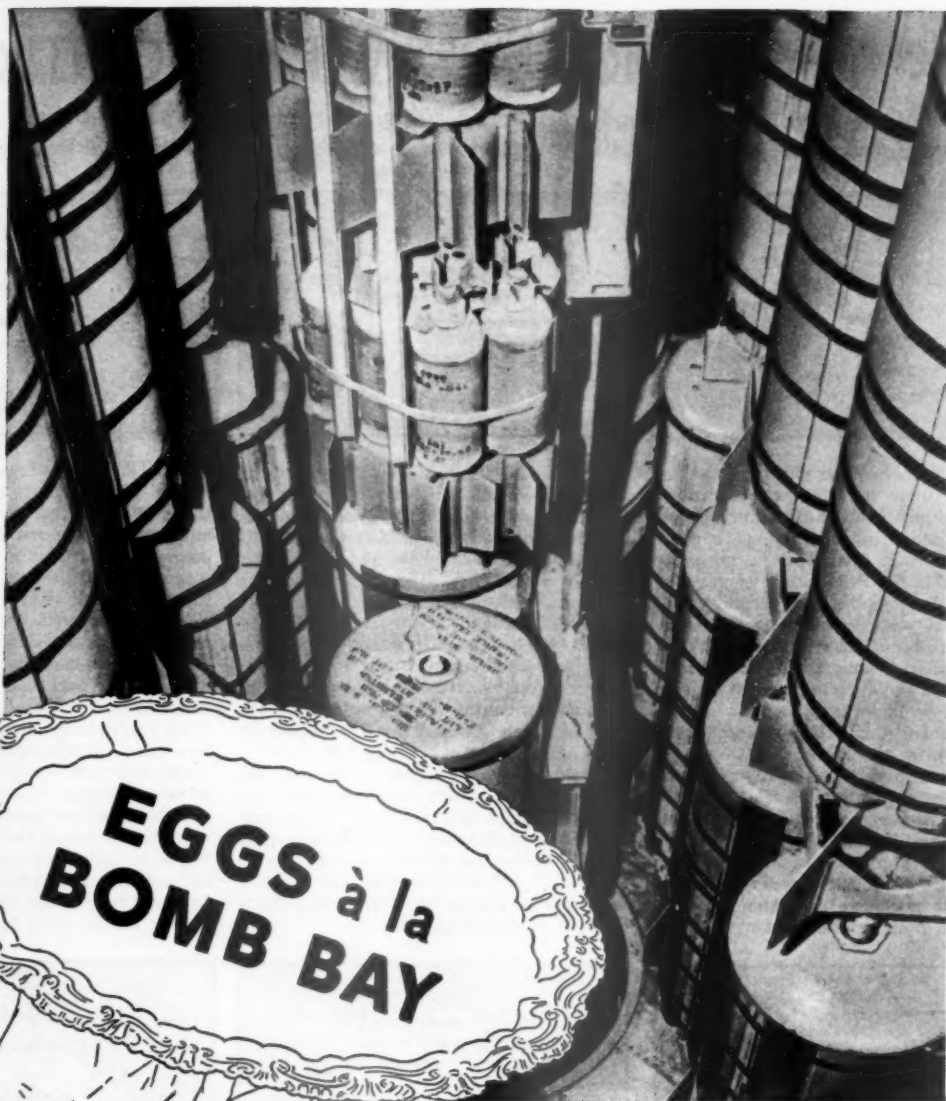
and freeze their own meats in slack periods, operating behind a glass partition in full view of their customers. Some of the meats will be prepared for cooking right in their wrappings.

The display cases will be of type standard for fresh meat. But new type frozen food dispensers that manufacturers are developing will make it easier for the shopper to find her item—and reach it at waist height.

Since the War Production Board relaxed its order L-38, retailers theoretically can obtain refrigerator units without priority. But manufacturers still can get material for relatively few non-priority units.

• Cold Storage Expanded—Grimes has deals cooking with manufacturers for his needs in both refrigerating equipment and I.G.A.'s private-label frozen food line. But he is not yet naming suppliers or quoting costs. The 100 wholesale houses already tied up with I.G.A. are expanding cold storage space where necessary in preparation for distributing the frozen products.

Retailers are expected to finance their own showcase and refrigerator purchases with or without I.G.A.'s connections. I.G.A. headquarters says this will be no trick, with banks and finance companies hungry for time-payment paper.



**EGGS à la
BOMB BAY**

... served by B-29's

THE accuracy with which our Superfortresses drop their deadly bomb loads on enemy objectives is matched by the precision of American Industry in producing the planes, the bombs and the thousands of other implements of war.

One imperative demand of all America's war plants, to maintain precision in mass production, is *effective lubrication*.

Texaco offers industry, everywhere, the

advantages of buying quality lubricants — under one Sales Agreement for all plants throughout the United States.

1. Greater convenience and prompt delivery (through Texaco's *more than 2300 wholesale supply points*). **2.** Uniform quality and specifications of industrial fuels and lubricants. **3.** Skilled Lubrication Engineering Service to aid in increasing production.

The Texas Company

—in all
48 States



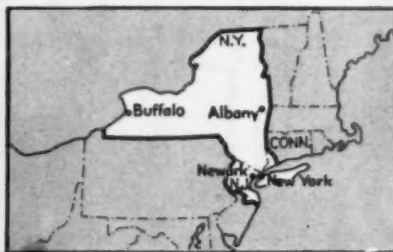
THE REGIONAL MARKET OUTLOOK

A summary of industrial, agricultural, and other trends, affecting the income and general business prospects in twelve Federal Reserve districts of the nation for most recent month. (Last month's report: BW—May 12 '45, p. 100)



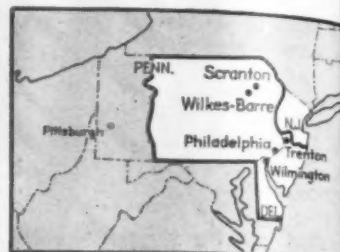
BOSTON—New England up to now has experienced more net decline in employment and output than the munitions peak 18 months ago than most regions, and although no drastic change is in prospect, the outlook is for acceleration of the declines in cargo shipbuilding around Portland, Boston, and Providence, in aircraft and engines around Hartford and Waterbury, in electrical equipment around Lynn and Pittsfield, and in similar arms work at other centers. There is, in short, a smaller proportion here than elsewhere of high-priority work for the Pacific war.

Balanced against this, however, is an easier- and earlier-than-usual reconversion potential in district heavy-goods lines—machine tools, textile machinery, electrical appliances, and a miscellany of hardware, clocks, and similar smaller goods. Thus, the tendency for income to run behind the nation may be reversed in six or nine months.



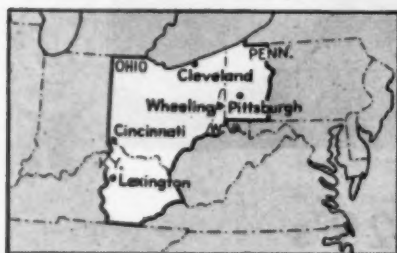
NEW YORK—Pace of industrial activity is slowing down about in step with the nation's, although differences within the region are fairly sharp. Buffalo's aircraft cutbacks are in the limelight right now, whereas the Utica area has suffered most in the past year, and the Albany and Bridgeport sections have felt sharp income decline. Elmira, Rochester, Poughkeepsie, and Syracuse area payrolls have held up, as have New York City's. Trends have varied from town to town in northern New Jersey, with most so closely grouped that the impact on trade has more or less evened out.

Reconversion will center in no single industry in this district, but, geographically, chances for high peacetime activity are best in precisely the same arms centers outside the metropolis that shared most of the wartime boom. But because of the industry diversity, those cities will vary among themselves in peacetime payrolls.



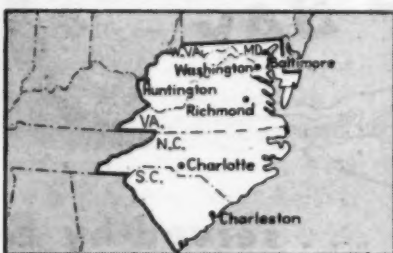
PHILADELPHIA—Layoffs are speeding among such major industrial producers Budd, Philco, and Westinghouse, whose output is of parts and equipment for large programs, as well as in end-product plants such as those for merchant ships, or electronic material. But typically, such firms are well prepared for reconversion, and meantime naval shipbuilding along Delaware will continue to sustain a large part of arms work here. Wilkes-Barre and Scranton have recently begun to suffer sharp payroll drops, in addition to Wilmington and Lancaster. Allentown, Harrisburg, York, and Altoona at the moment seem to be improving.

Labor-short coal mining—anthracite in the east, bituminous in the west—should soon begin to get more manpower, with the substantial recent pay rise in mining contributing to an expansion of payrolls around mining towns, while factory wages ease.



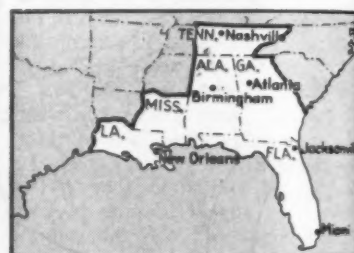
CLEVELAND—Regionally as nationally, the surprise here is the slow pace of arms cutbacks, although already thousands of ammunition and shipbuilding jobs have been canceled in the eastern half of the district and miscellaneous job declines have taken place in the west. Result is that manpower seems at the moment just as tight as before. However, in great measure prospects here will crystallize somewhat more slowly than in some industrial regions, because of this district's function as a raw-material and semi-finished goods producer for end-product production elsewhere—e.g., steel and parts for Detroit autos.

The new farm income season is just about starting now in the north, with returns so far this year about equal with 1944 in Ohio, as they are nationally, but sharply ahead on tobacco receipts in eastern Kentucky. This just about duplicates the record for 1944 as compared with 1943.



RICHMOND—Thus far, expanding arms needs for Pacific theaters have seemed to outweigh any contract cancellations arising from victory in Europe—though, of course, this situation is bound to change. Labor needs have gone up in such western towns as Hagerstown, Md., Charleston, W. Va., Radford and Lynchburg, Va., as well as at Hampton Roads, and a wave of war and postwar textile expansions is hitting the Carolina Piedmont. The over-all trend is nonetheless down—Baltimore aircraft and shipbuilding are going off, Wilmington shipyards are paring rosters and the gradual decline of Hampton Roads is spotlighted by an estimated drop of one-third in Norfolk's population from its peak.

Cold, wet April and May set back agriculture, although major crop planting was mostly accomplished. Truck, fruit, wheat, and hay crops were hurt—except in South Carolina, which escaped.



ATLANTA—News now focuses on minor cutbacks in nonshipbuilding lines which are causing layoffs at Miami, Atlanta, Knoxville, and other points. The basic outlook is for sharp drops in most war lines, except for such items as Superfortresses here.

Postwar outlook is brightening here through a combination of factors. Oil exploration, and probability for production is increasing; the recent freight rate slash should help generally; expansions in such lines as tires, iron work, and dairy products are mounting up; war plants are coming up with novel reconversions (e.g., shipyard to locomotive building), and plans are being laid for major new plants, as at Atlanta.

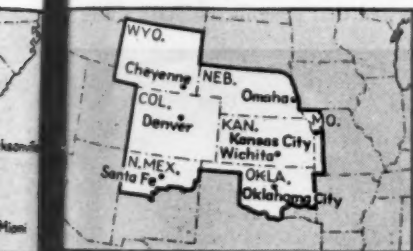
Cold and wet has retarded tobacco and fruit growth and required replanting of cotton and cotton, while drought has cut citrus prospects in Florida. Peaches, however, were harvested in time—two-thirds more tonnage than last year.

OK-A GUIDE TO INCOME TRENDS

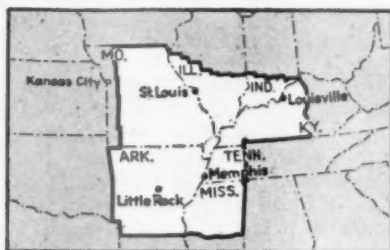
munitions cutbacks are lagging in most regions, and transition period prospects have not yet shaken down. Prolonged cold temperatures, combined with unusual rainfall in some sections and drought in others, have set back agriculture.



CHICAGO—Areas which were first boomed by war work in general now are the first to be hit by cutbacks—largely because the workers are making more up-to-date demands for Pacific fighting. Key examples are Detroit and Chicago—the former already showing a labor surplus area while the latter's manpower remains almost as tight as ever. Milwaukee, Indianapolis, and Des Moines conditions are nearer average. Typical of smaller centers, one town in Wisconsin, Sturgeon Bay, is falling fast, while Madison will stay busy until V-J Day. The whole business focus, however, is no longer on munitions but on reconversion. Heavy-goods lines—autos and trucks, farm and rail equipment, refrigerators and washing machines, and industrial machinery—look for new civilian production peaks in 1945 to twelve months. Agriculturally, the spring has delayed corn and other plantings.

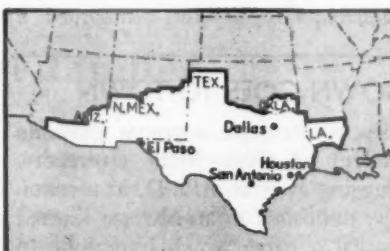


KANSAS CITY—Winter wheat has deteriorated somewhat from an unusually high price during the cold, wet spring, and, potentially even more serious, corn plantings have been considerably delayed. Warm weather could again insure an excellent crop next year, but at the moment prospects aren't bright. Final returns for 1944 show that Oklahoma enjoyed an increase in farm income over 1943, with Wyoming steady, Colorado down slightly, and Kansas and Nebraska off almost 10%. Except for a few cutbacks have come in, and a few new orders, and so far there has been no change in industrial employment. Expectations, however, still are for some payroll drop by the year-end. Postwar hopes are being buoyed by probabilities of increased tire and tire manufacture and possibilities of reconverting chemical works to fertilizer production.



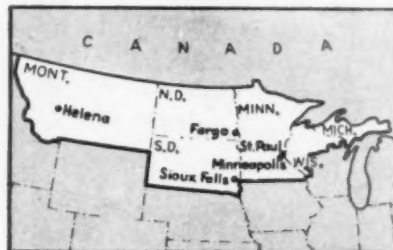
ST. LOUIS—With the industrial outlook fairly well crystallized to the year-end (BW—May 12 '45, p95), the major income uncertainty now surrounds agriculture. Spring was again unfavorable, somewhat more so than generally; fields have been too wet for planting. In a way, the region thus epitomizes the national outlook: favorable summer weather and a long harvest season have rescued district farmers in recent years, producing bumper crops. A less lucky summer and autumn could have sharp effect.

So far this year, holdover marketings have boosted southern section returns way above 1944's, while northern livestock receipts have been mostly unchanged from a year ago. And current crop conditions have been good: the warm March was favorable for the new lambs, the wetness has helped pastures and therefore milk output and the growth of winter grains and spring truck crops has been fairly good.



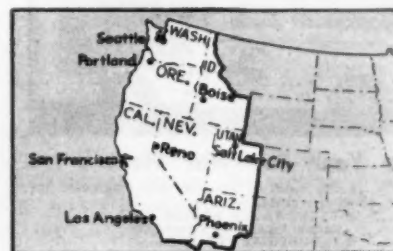
DALLAS—Manpower is now easing up rapidly in this region. The major aircraft cutback earlier at Dallas is about to be followed by another big slash at Ft. Worth. Meanwhile, employment is sliding at coastal shipbuilding centers. And though the large ordnance works inland are still going full blast, cancellations are expected fairly soon—except for a couple, such as that near Marshall, now producing rocket bombs. While uneasiness prevails among war workers, there is a good deal of at least temporary "evaporation" among those laid off.

Meanwhile, high drying winds have cut Panhandle wheat and other winter grain prospects sharply, and western ranges have been dried out so that cattle feeding has had to be resumed. Other prospects are mixed, with dry weather facilitating planting in some sections, while elsewhere, corn has suffered insect damage. Farm receipts are even with a year ago, as in 1944.



TWIN CITIES—The spring has been dry rather than wet, but also cold, in this far-flung agricultural region. The effects nonetheless have been bad. Pastures and ranges have been hurt, wheat and flax plantings delayed or blown out. The farm situation is not at all beyond repair, however, and the 1945 record may well be good. It's just that some decline in income, to match those in industrial regions because of cutbacks, is possible. Final returns for 1944 showed substantial gains in Wisconsin over 1943, smaller ones in Montana, little change in North Dakota, small losses in South Dakota, and substantial drops in Minnesota.

Paper cuts in shell and powder contracts have not yet affected local war work, but the Twin Cities are nervous. So far this year, urban department store sales gains over last year have been outrunning those of rural stores in most sections.



SAN FRANCISCO—The employment decline in this region, already more rapid over the past year than was average for the nation, is now accelerating, with aircraft cutbacks in southern California combining with the slide in shipbuilding jobs. B-29 work is sustaining Seattle, and Kaiser shipbuilding contracts are holding up Portland—at least relative to San Francisco, Los Angeles, and San Diego trends. However, miscellaneous construction, transportation, and repair jobs for the Pacific war are offsetting some of the drop in war-plant payrolls.

Weather has been uneven in this district, with not much damage to farm prospects in the over-all. Winter wheat in the Northwest and barley in California should be close to the high 1944 yields, and a repeat on 1944's large fruit and nut tonnage is in prospect. Truck crops and potatoes have been damaged, but shipments are still high; receipts are up, as in 1944.

Group Life Insurance enables you to arrange protection for employees' families. Its cost is amazingly low; its value extremely high in promoting employee relations.



More businesses have bought Aetna Group Plans than any other.

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SCHIELM



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NOW is the time to consult our Engineers on your prospective needs.

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backed by 40 years experience
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They have sturdy housings and Pyrex glass tubes—no levers, gears, diaphragms—and meet all requirements of industry for a permanently accurate indicating instrument.

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Esquire Wins

U. S. Court of Appeals rejects idea that Postmaster General has right to decide what is good reading.

One-man censorship was ruled out last week by the United States Court of Appeals in Washington, D. C., in a unanimous decision that threw the final round of the bout between Postmaster General Frank C. Walker and Esquire to publisher David A. Amart's slick magazine for men.

• **Dismissal Expected**—The opinion written by Justice Thurman Arnold, former trust buster for the Dept. of Justice, instructed the district court to hold further hearings on the case; but few doubted that this would result in more than peremptory dismissal—nor would Democratic National Chairman Robert Hannegan, who will replace Walker in the mail post July 1, likely be of a disposition to appeal such a decision.

In January, 1944, Walker revoked the privilege of Esquire to use second class mail rates (granted to magazines and newspapers by Congress in 1879) on the grounds that Esquire is not published for the dissemination of information of a public character, nor is it devoted to literature, the sciences, arts, or some special industry (BW—Jan. 8 '44, p. 87). Walker disregarded a

2-to-1 verdict of his own board of inquiry favoring Esquire.

• **Walker's Contention**—The Postmaster General argued that since the expensive rates are, in effect, a government subsidy (second-class mail has a deficit of more than \$86,000,000 in 1942), he has a right to decide which publications are entitled to this preferred treatment—and in his opinion Esquire with its scantily clad Varga girls is not.

The case fast rose from the chessboard level to a battle over freedom of the press. While Esquire took its troubles to the courts, Walker belted off on his order, which would have cost Esquire (circulation 726,167) an additional \$500,000 a year in fourth class mailing rates.

Arnold agreed with Walker that publications enjoying second class mailing privileges are under a positive duty to contribute to the public good and welfare, but he rejected the idea that a public official could decide what is good reading—and then force compliance by putting editors who do not follow him at a competitive disadvantage.

• **The Last Time?**—Arnold hoped this would be the last time that a government agency would attempt to compel acceptance of its literary or moral standards relating to material admittedly not obscene.

Arnold didn't resist taking a dig at the Post Office Dept. for this meandering from its normal pursuits. He suggested that postoffice officials should

GOWN GOES TO TOWN

Eleven years ago, a young graduate student at Ohio State University, plugging away at a Ph.D. in psychology, published in an obscure learned journal a paper which undertook to prove with test data the novel thesis that impressions received through the ear packed more of a wallop than visual impressions. The paper came to the attention of the Columbia Broadcasting System. So did its author, who was brought on to New York for appearances before advertising men where the still struggling broadcasting industry could best use his research findings in combating a centuries-old respect for the printed word. Last week, Dr. Frank Stanton, (right) moving up through research and sales departments, became general manager of Columbia Broadcasting System, second in command to



Executive Vice-President Paul Keston. President William Paley has been on a two-year leave of absence, which he may indefinitely extend.

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Photographed enroute by permission of the War Department

The "Purple Heart Limited"

Its passengers are wounded veterans.

Some, like the three above, compare their souvenirs as an Army doctor looks on. Others read. Or sleep. Or just look out the Pullman window at America again.

They are on their way from debarkation ports to General Hospitals near their homes. And Pullman—by providing sleeping cars to supplement the Army's special hospital trains—is

privileged to contribute to the comfort in which they make the trip.

These cars come from the Pullman "pool" of cars that are in regular passenger service. They may be scattered over several states, serving various railroads, when the Army calls for them. But *centralized control* assembles them to meet almost any demand.

Where they are assembled—when and where they go—cannot be dis-

closed. But we can tell you that "Purple Heart Limiteds" are running constantly as part of the program that makes American wounded *the best cared for wounded in the world.*

So please—if you can't get the Pullman space you want exactly when you want it—remember that it may be occupied by wounded veterans.

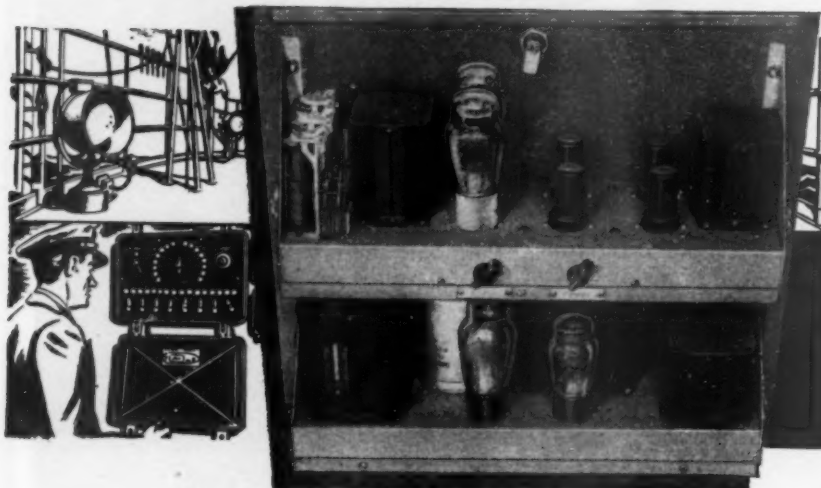
They come first with us—just as they do with *you!*

PULLMAN

For more than 80 years, the greatest name in passenger transportation



USE CLARE "Custom-Built" RELAYS for Reliable, Trouble-Proof Control of Marine Loudspeaker Systems



Three Clare "Custom-Built" Relays in this Marine Amplifier.

● Marine loudspeaker systems designed by C. C. Galbraith and Son, Inc., of New York employ Clare "Custom-Built" Relays to help insure the reliability and freedom from maintenance that such emergency systems require.

These Clare Type "C" Relays are used in the blast-proof master control stations in the pilot house, in the amplifier and control cabinet for the docking and navigation systems, and in the ship to shore amplifiers.

Such an emergency loudspeaker system must be simple in operation, contain the fewest number of movable parts, controlled by the fewest possible motions, and be absolutely reliable.

For this maximum reliability in such special functions, Clare "custom-building" makes possible a flexibility of design and construction which permits most precise operation under severe conditions of temperature, humidity, atmospheric pressure, and vibration.

Clare Relay construction permits choice of a wide range of contact ratings . . . five different contact forms or any combination of them . . . either flat or hemispherical contacts which may be of rare metals or special alloys . . . coil windings to match the circuit and application.

If your engineers are working on new designs or on plans to make present products better, they should know all about Clare "Custom-Built" Relays. We will "custom-build" a relay to your specifications. Send for the Clare catalog and data book. Address: C. P. Clare & Co., 4719 West Sunnyside Avenue, Chicago 30, Illinois. Sales engineers in principal cities. Cable address: CLARELAY.



CLARE RELAYS

"CUSTOM-BUILT" Multiple Contact Relays for Electrical, Electronic and Industrial Use

perience a feeling of relief if they are limited to the more prosaic function of seeing to it that: "Neither snow nor rain nor heat nor gloom of night shall these couriers from the swift completion of their appointed rounds."

Grocery Colossus

Comparative newcomer in the field merges Reid Murdoch, Ohio concern, and earlier acquisition into \$20,000,000 corporation

Early this week a vigorous streamlining of operations impended in several major wholesale grocery firms—an industry which has been called a stronghold of tradition.

● **Two Added**—Driving force in the move is Nathan Cummings, who has chalked up a record of successes since he entered the grocery field in 1939.

Already bossman over several wholesale houses, Cummings last week swept into his pocket, in what was announced as an all-cash transaction, huge 92-year-old Reid Murdoch & Co., Chicago (Monarch Brand), and also the smaller Dannemiller Grocery Co., Canton, Ohio. Then he fitted these along with his previous acquisitions into his newly-formed Consolidated Grocers Corp.

Consolidated Grocers now claims operating assets of \$20,000,000; annual volume \$100,000,000; 52 branch houses, 19 canneries, 15 pickle stations, and seven coffee and other processing plants. This empire of groceries is spread from coast to coast.

● **Groceries or Finance?**—As President and majority stockholder, Cummings claims that Consolidated Grocers is already the nation's biggest wholesale grocery business.

Both in food circles and in financial circles the question was being asked: Does he intend to make money out of Consolidated's grocery business or out of its finances? Probably no one but Cummings knows the answer, but some of his closer friends feel pretty sure he will take his profits on merchandise, not on stock issues.

● **Started in Shoes**—Canadian-born, 48-year-old Cummings' career has been spectacular between his start as a delivery boy for his father's Montreal Shoe store and formation of Consolidated Grocers.

In 1939 he charged headlong into wholesale groceries as president of the slightly moribund C. D. Kenny Co. of Baltimore on a stock-purchase contract that in two years—as soon as he had pulled that company out of financial

"So sorry, please . . . still think Yankees are inferior race!"

So you think the Japs are as good as licked, do you? Ask this Jap prisoner! Ask the last U. S. Ambassador to Japan! Far from being licked, they have mobilized the most terrific total war-effort of any country in this conflict.

Yet they are fighting on their own home grounds—and we have to carry the fight to them, over 4,000-mile supply lines. So the plain blunt fact is that we can't afford to do less than they. Not if our hospitals are to be kept from overflowing. Not if the sandy cemeteries are to be kept from rolling out of sight beyond the horizon. Not if this war is to be kept from dragging on for years.

They say they want to bleed us white. Well, a bleeding won't hurt any American pocketbook, as long as it keeps American blood from reddening island beaches.

So buy bonds now as you have never bought before! Otherwise this Jap . . . and the millions of others who think just like him . . . will turn out to be right in the end.

VEEDER-ROOT INCORPORATED

HARTFORD 2, CONNECTICUT

*In Canada: Veeder-Root of Canada, Ltd., Montreal
In England: Veeder-Root Ltd. (New address on request)*

***Make the 7th WAR LOAN
the one that smashes
the savages!***





ACCO products in Lumbering and Logging

YOU'LL find ACCO products almost everywhere that men are at work—in factories, fields, mines and forests. In the lumber industry, for example, many ACCO products are indispensable. Their use begins in the woods with logging, continues with processing at sawmills, goes on until finished products are transported to market. The logging and lumbering industry uses five ACCO products: American welded chain, American Cable wire rope, Reading-Pratt & Cadé valves, Wright hoists and cranes, Page welding wire.

These are only a few of the primary products made by the 15 divisions of ACCO—products vital in war, essential in peace: Chain • Wire Rope • Aircraft Cable • Fence • Welding Wire • Cutting Machines • Castings • Wire • Springs • Lawn Mowers • Bolts & Nuts • Hardness Testers • Hoists & Cranes • Valves.

ACCO

BUY WAR BONDS



AMERICAN CHAIN & CABLE

BRIDGEPORT
CONNECTICUT

difficulties—gave him control with slight cash outlay. He also got Staples Grocery Co. of Richmond, Va., at about the same time.

• **Off Dead Center**—In 1942, Sprague, Warner & Co., owner of one of the nation's top-drawer grocery brands, Richelieu, and the source of several major Chicago fortunes during the 50 years it had then been in business, was suffering from a chronic case of doldrums. Its control, but not its general lack of money-making gumption, had changed a few years previously.

On that first move, it went from the hands of third and fourth generation Spragues and Warners into those of three Kunin boys. These energetic young men had pioneered a pushcart grocery jobbing enterprise into a big cash-and-carry wholesale house which they merged with Sprague, Warner. But dynamic as they were, even the Kunins were unable to jolt the huge wholesale house off dead center. In consequence, Cummings moved in, using money supplied by, and since repaid to, Commercial Credit Co. A year and a half later he rounded up Western Grocer Co. and its subsidiary Marshall Canning Co. of Marshalltown, Iowa.

• **Accent on Youth**—Cummings went at the Sprague, Warner re-energizing task three years ago with the impersonal manner of a surgeon or an industrial engineer.

In those days he knew little about



President and majority stockholder of the newly formed Consolidated Grocers Corp., Nathan Cummings, after six strenuous years in the field, heads what he calls the biggest wholesale grocery business in the nation.

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groceries—a statement that can no longer truthfully be made. But he knew management, and he let nothing stand between him and his objective. He sweated a lot of unprogressive old-timers out of their swivel chairs and substituted for these aggressive young grocerymen—most of these he found in the lower levels of the firm and promoted.

• 5,000 For 50,000—He slashed 50,000 canned-goods and other grocery labels to 5,000 at one stroke. Thereby he lost practically none of the long-coddled customers such as eight retailers, all the surviving customers of a local wholesale grocer that the big firm bought out in 1907. For these eight alone, in a downstate Illinois city which had been the long-defunct jobbers' home base, Sprague, Warner had continued for 35 years to label all canned-goods purchases with his top-brand label, "Ever-Good."

This week Cummings was in his new office for 14 hours a day, with his sleeves rolled up. He was looking into the innards of his new acquisitions for similar chances to cut and trim. If they needed any such surgery, he was ready and willing to wield the knife.

ACTION ON FM ASKED

For some time the Television Broadcasters Assn. and FM Broadcasters Inc. have been at loggerheads over band allocations in the radio spectrum for telecasting and frequency modulation (FM) broadcasting. T. B. A. originally went along with the Federal Communications Commission on the assumption that FM should be moved upward in the spectrum. FM B. I. charged that the television interests knew that moving FM up would delay that service and permit television to get started ahead of FM.

To the surprise of nearly everyone, the boards of directors of the two organizations this week unanimously petitioned FCC for immediate action placing FM at 50-68 megacycles. This allocation is the first of three alternatives proposed by FCC (BW-May26 '45,p96) and it is preferable, according to T. B. A., "because of its long-range superiority for television considering all factors." FM B. I., concurring in the T. B. A. action, said further postponement of allocations would mean undue delay in providing FM service to the public.

Alternate No. 1 would give television six 6-mc. channels, one at 68-74 mc. and five at 78-108 mc. FCC had postponed definite decision pending tests now in progress. Both T. B. A. and FM B. I. contend that such tests would only hold up radio progress should the Pacific war end shortly.



This "blowhard" is worth hiring!

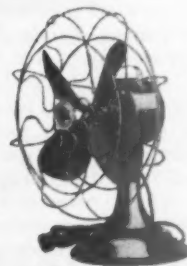


Plenty of cooling, moving air is just about the best summertime aid you can employ. For heat-fatigue among your office help can cut efficiency down to where it hurts. As morale-builders, large-air-volume, quiet-running Robbins & Myers Fans are designed to keep your employees refreshed and on their toes.



In the factory, too, you can prevent "summer slow-down." Suitably placed R & M Fans provide properly engineered air circulation over wide areas; are economical to operate and easy to service.

If you're fortunate enough to have some of these R & M energy-savers, it would be well to have them checked, cleaned, and oiled before the mercury gets up out of sight.



Available only for essential industrial use.

If you need a fan of any kind, we'll be glad to send you complete information about R & M Fans as soon as WPB permits us to manufacture them for other than essential industrial use. R & M also manufactures electric motors, pumps, hoists, and cranes.

ROBBINS & MYERS • INC. SPRINGFIELD, OHIO
In Canada: Robbins & Myers Co. of Canada, Ltd., Brantford, Ontario

Bees in Bonnets

Milliners, now engaged in tedious adaptation to maximum average price plan, hope to wrest concessions from OPA.

Last month, when millinery manufacturers first felt the impact of OPA's new maximum average price plan (BW—Apr. 28 '45, p. 102), their cries of dismay echoed from the New York-New Jersey-Connecticut area (where 70% of the industry is concentrated) to Chicago, St. Louis, Dallas and the West Coast.

They talked darkly of closing down because they could not do business under MAP. This week, though avowedly unintimidated by Dept. of Justice threats of antitrust action, they settled down to the tedious job of filing the required pricing charts—and to a war of attrition to gain certain concessions from OPA.

• **A Big Reason Why**—The trade's principal grievance is that neither its supplying jobbers nor its retailer-customers are bound by MAP, which requires manufacturers to juggle price lines so their average price is the same as it was in the corresponding quarter of 1943.

The Millinery Stabilization Commission, Inc., which represents 90% of the Eastern manufacturers, points out that since 1943 labor costs have risen 25%, raw materials even more. Ribbons are up 200%, flowers and feathers up 125%, fur felt bodies up 100%.

Under GMPR a manufacturer squeezed between rising costs and price ceilings merely jumped to a higher price bracket. MAP eliminates this possibility.

• **Filing Date Advanced**—So far the industry has gained one concession; filing date for pricing charts was advanced from June 1 to June 20, although the effective date of the order remains June 1. OPA has promised that some form of price control will be applied to jobbers. It has also agreed to listen to manufacturers' proposals for modifying MAP, if made on practical lines.

• **Talking Points**—Manufacturers cling tenaciously to five talking points:

(1) The trade should not be subject to price control because millinery is not a cost-of-living item and has no intrinsic value; its salability depends solely on the intangibility of style.

(2) If price control is unavoidable, manufacturers prefer to be governed by MPR-580, now applied to retailers, which freezes markups as of Mar. 19, 1945. OPA's answer is firm: the purpose of MAP is to roll back prices, not freeze them at present highs.

(3) If MAP is unavoidable, two

groups of manufacturers should be exempt: those whose maximum average price is less than \$16.50 per dozen (for hats retailing at \$1.98 to \$2.98) because such firms cannot survive under MAP; those whose MAP is over \$20, because the entire industry depends on these top-flight operators for style inspiration.

(4) Tolerance should be allowed for increased costs. For example, if a firm can prove a 19% average cost increase since mid-1943, it should be allowed a proportionate increase in its MAP.

(5) Makeup period should be extended from the present month to a full quarter. For example, if a firm's theoretical MAP for the third quarter on 10,000 hats shipped is \$3, and its actual average price is \$5, it incurs a \$2 surcharge on every hat. This it must make up in October by reducing its MAP by \$2. Otherwise, its MAP becomes its ceiling price, for the duration.

• **More Workrooms**—Inevitable result of applying MAP to the millinery trade is to increase the number of manufacturing retailers (less than 5% of retail milliners now have workrooms).

Buyers may cooperate with the manufacturer by distributing initial orders over price lines in proportion to his production. But reorders, which constitute 50% of sales, will be for best-selling models. These days, that means hats in higher price ranges, and if the manufacturer can't supply additional quantities under MAP, the retailer will make his own, uninhibited by MAP.

Hence, concludes the commission grimly, manufacturers will work on surcharges until Nov. 1. After that, unless relief is granted, 30% to 40% will go out of business.

FURNITURE GROUP ACCUSED

The Federal Trade Commission last week renewed its offensive against some of the activities of the National Retail Furniture Assn., Chicago, and affiliated trade associations. Seven were named specifically in the complaint.

Five years ago FTC examined N.R.F.A.'s records, but took no further steps then. This time, with no preliminaries, FTC issued a complaint that



FAMILY PLANE FOR NEW AIRLINE

Joining the brotherhood of regular passenger airlines, the new Pan-Maryland Airways, which recently placed an order for 40 family-type planes, seeks to enter the commercial field primarily as a feeder line. The company claims to be the first to go into the business with so large a fleet in the light-plane category. Built primarily for the family market by Taylorcraft Aviation Corp., Alliance, Ohio, the single-engined monoplane, Taylorcraft "Fifteen" (above), carries four passengers and baggage; at a pinch, five passengers. For cargo operations, it can handle more 600 lb. The airline will use the planes—some for freight only—on short intrastate runs, fanning out from Baltimore. Because the ship's JCH wing enables it to land at exceptionally low speed, it can be operated from the smallest fields—an important consideration where low-cost service is projected. The \$4,000 initial cost of each plane, capable of a top speed of 125 m.p.h. presages cheap travel—about five cents a mile.

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Radio-relay towers—like those phantomed above—will leap the hurdle of distance in post-war television.

East-to-Coast Television...through "Radio-Relay"

For long time it looked as though post-war television might be confined to local stations. Persons within a fifty-mile radius of New York, for example, would see the important television broadcasts from NBC's pioneer station WNBT, atop the Empire State Building.

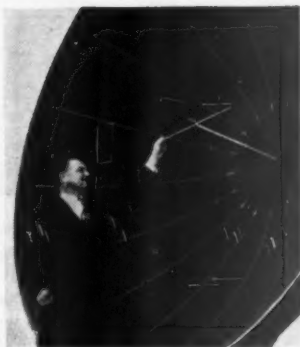
That was because the ultra short waves that carry television do not bend with the curvature of the earth. They go in a straight line out to the horizon—and then keep on going into the sky.

But today, television's big handicap of short range has been completely overcome by RCA scientists and engineers.

The radio-relay was developed—a tower that "bounces" television programs to the

next tower 30 to 50 miles away. Through a network of these automatic, unattended, radio-relays, coast-to-coast television is made practical.

This is but one more example of how RCA research constantly "makes things better." Such research is reflected in all RCA products. And when you buy a television set, or radio-phonograph, or anything made by RCA, you enjoy a unique pride of ownership. For if it's an RCA you can be sure it is one of the finest instruments of its kind that science has achieved.

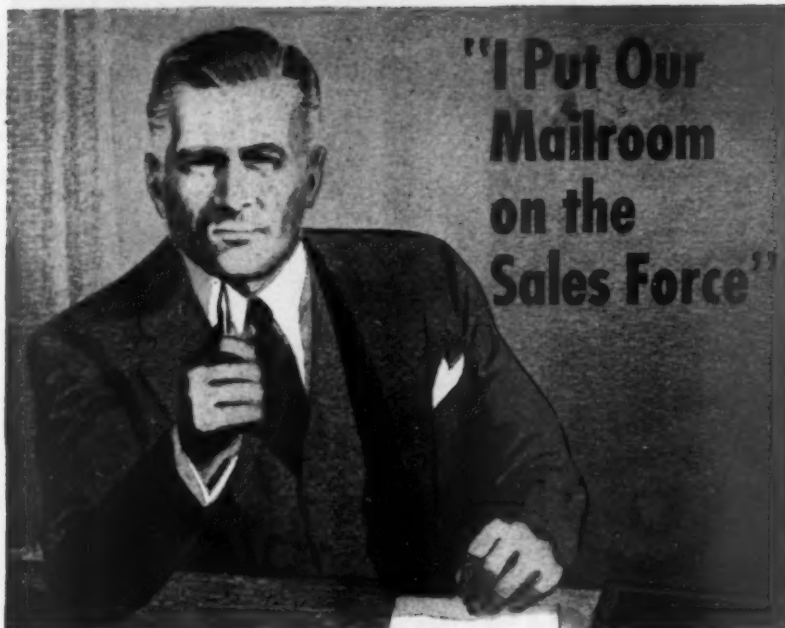


C. W. Hapsell, RCA specialist in transmitters and relays, is shown here with a radio-relay reflector that can "bounce" radio messages, radiophotos and Frequency Modulation programs at the same time that it relays television!

RADIO CORPORATION of AMERICA

PIONEERS IN PROGRESS





"...AND WHY NOT? Did you ever consider how much a mailroom has to do with selling? Take new prospects, for instance. In many cases, their first contact with our organization is by letter. Because these letters often mean new business, it's mighty important that they get to our Sales Department *fast*."



"IT'S EQUALLY IMPORTANT that all further correspondence with them is carried on promptly. Sales can be lost by having our follow-up letters delayed in a jammed-up mailroom. Sales can be made by getting these letters to trains and planes on time."



"THAT'S WHY WE CONSIDER our mailroom an important member of our sales force . . . why we put it under the supervision of a competent person and equipped it with USPM mail-handling machines and systems."

Plan now to modernize your post-war mailroom with USPM machines and systems. Call in your U.S. Postal Meter specialist today.



Metered Mail Systems . . . Postal and Parcel Post Scales . . . Letter Openers . . . Envelope Sealers . . . Multipost Stamp Affixers . . . Mailroom Equipment. (Many units available.)

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N.R.F.A. (with 5,000 retail dealer members) for the past has unlawfully promoted and rules which restrain interstate raise consumer prices, curb competition and tend to create a monopoly.

The offending rules, FTC prohibit manufacturers or who from selling direct or quoting ultimate consumers, except government units and common carriers; visits to manufacturers' showrooms all but N.R.F.A.-authorized dealers their agents, and provide that no or firm should be recognized authorized dealer unless he can representative variety and volume stock. Roscoe Rau, N.R.F.A. executive-president, denied these charges.

The FTC examiner may N.R.F.A. to cease the alleged practices, but the case can be appealed to the U. S. Court of Appeals, U. S. Supreme Court.

MAP Expanded

Woolen mills brought OPA's program for rollback textile and clothing prices covers entire year of 1943

With the issuance this week maximum average price (MAP) and woolen mills, OPA's program for rollback textile and clothing prices most complete.

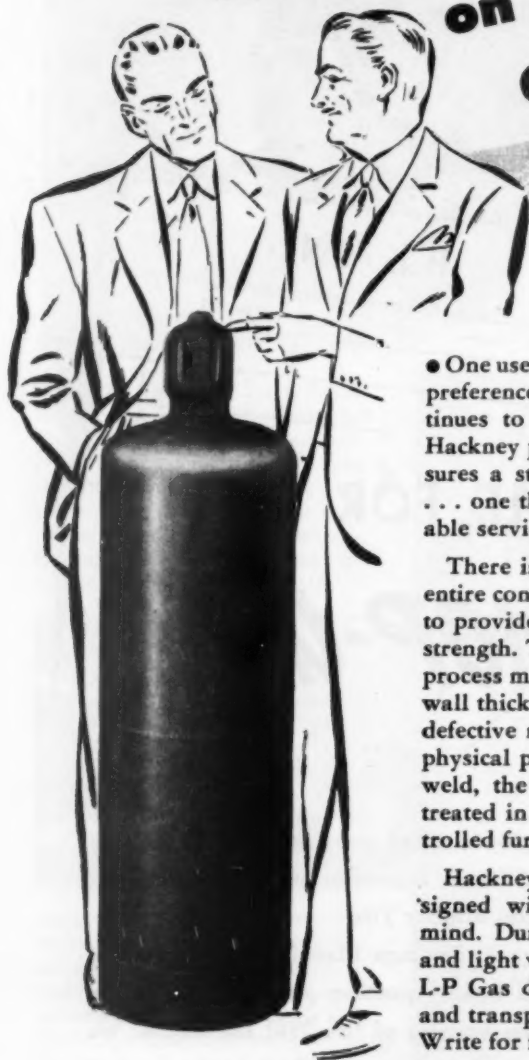
• 1943 Base Used—MAP orders are in effect for manufacturers of clothing and accessories and for rayon (there will be no MAP for cotton mills which are thought to be efficiently controlled by WPB's loom order, L-99).

While rayon mills were given the half of 1943 as a base period for determining their maximum average price, woolen mills get more leeway with 1943 as a base. The extra six months a concession to the seasonal nature of the industry.

Within the next three weeks month, OPA should get out for retailers a companion-piece to Maximum Price Regulation 580, which freezes tailors' markups. With this, and order to halt the pyramiding of job markups, OPA will have rounded out its program.

• Results Begin to Show—Despite present critical scarcity of many priced textiles (BW—Jun. 24:5) OPA officials still believe they will enough production of low- and medium-priced garments to roll back the clothing component of the cost-of-living index some 6% or 7%. Actual savings

**Strength plus light weight...
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Cylinders!**



• One user tells another... and so the preference for Hackney Cylinders continues to grow. Why? Because the Hackney process of cold drawing assures a strong, lightweight cylinder... one that provides long, dependable service.

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Hackney Cylinders have been designed with users' requirements in mind. Durability, smart appearance and light weight recommend them to L-P Gas distributors for the storage and transportation of their products. Write for full details today.

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CONTAINERS FOR GASES, LIQUIDS AND SOLIDS

consumers, they contend, will be because MAP will also bring down prices of higher-priced garments and of other types of clothing (notably children's wear).

Officials profess that they already have the results of OPA's and WPB's efforts in fall lines which are now on the market. Women's and coat and suit lines are cited as ample of a big improvement in apparel since 1944.

SEEK UNITY IN APPAREL

A move to get together into one Federation of Apparel Associations more than 15,000 manufacturers of men's, women's, and children's apparel who now are split up among more than 60 different trade associations, got underway in New York City last week.

Everyone in and out of the industry agreed that it was a paradise. Generally speaking, the manufacturers believed it was feasible. But the idea came from the fears of executive leaders of the trade associations that such an organization would usurp their authority. Federation backers, however, point out the promise that the trade groups would retain their individual autonomy and were hopeful that this argument would win them over.

As outlined to manufacturers meeting in New York, membership in the new all group would be by associations also by region. Function of the federation would be to coordinate activities of existing associations, present a united front on legislative questions, formulate postwar plans, collect industry statistics and guide against unemployment.

P. S.

Henry C. Lytton & Co. (owners of the Hub in Chicago), which has purchased the Young-Quinlan Co., men's specialty shop in Minneapolis, plans to expand its new store by adding such departments as men's haberdashery and sportswear, ladies' and men's shoes and a beauty salon; A. L. Neiman, while brother-in-law of Herbert Marc, founder of the famed Texas department store, becomes vice-president of Young-Quinlan in charge of buying and merchandising of all women's wear. A \$500,000 cooperative advertising campaign with the avowed purpose of beating off postwar competition from other products has been drawn up by the National Paint, Varnish & Lacquer Association Inc.; launching of the campaign to promote the beauty and protection afforded by paint and allied products depends on subscriptions from 75% of the approximately 1,000 members of the industry.

THE WAR AND BUSINESS ABROAD

BUSINESS WEEK

SEPTEMBER 9, 1945



Allied agreement to roll back the German boundaries to pre conquest frontiers provides a badly-needed victory for supporters of a United Nations security organization—and at a time when morale at the San Francisco conference was lowest (page 22).

At the same time, it furnishes a well-timed warning to both de Gaulle and Tito that Moscow, when forced to a showdown, prefers to rely on collective rather than unilateral action—at least for the present.

Russia's full acquiescence in handling the German problem as a four-power issue should not, however, be construed as ending the aggressive maneuvering that has marked all Soviet participation in wartime conferences.

Though rebuked now, Tito is almost certain eventually to have full Russian support in his demand for Trieste—as much to assure an effective Mediterranean outlet for goods from Soviet-dominated eastern Europe (page 117) as to boost Yugoslavia's nationalistic maritime demands.

And while France is rebuffed in its badly-timed Syrian showdown, Britain can be expected eventually to be equally challenged over the handling of Arab problems.

Russia, in the last two years, has insisted on full recognition as a Mediterranean power (BW—Oct.23'43,p44). Intensive study of current problems in every major country is reflected now in a shrewd and vigorous Soviet diplomatic stand on every issue affecting the Near and Middle East.

Temporary smoothing of the immediate tensions over Germany still cannot stir widespread optimism over the outlook in Europe.

Though backed by only nine divisions—all of them equipped by the Allies—de Gaulle is expected to:

- (1) Continue vigorous repressive measures against Arabs in Algiers.
- (2) Demand French participation in the Far Eastern war.

As a result, military leaders—though speeding the exodus of Allied troops from France—look for disagreeable episodes before Marseilles and Le Havre can be evacuated as redeployment ports and railroad rolling stock turned back to the French.

Due to close Belgian cooperation from the time the country was liberated, Antwerp is almost certain to handle the bulk of military supply transshipments from Europe to the Far East.

Though Britain's luxury liners are expected to be available soon to carry an increasing number of commercial travelers on the old route from New York to Southampton, and more space will be available on eastbound skyliners, business leaders can plan nothing more than exploratory visits to Europe until:

- (1) Travel restrictions on the Continent are eased (probably not before the end of the summer).
- (2) British elections (July 5) reveal whether or not there is to be a radically changed government.
- (3) All governments—but especially the British—indicate what kind of wartime trade restrictions are to be continued, and for how long (BW—Jun.2'45,p115).
- (4) A world trade conference (probably to be called later this year) discloses whether a tight sterling bloc is likely to develop in western Europe

THE WAR AND BUSINESS ABROAD (Continued)

BUSINESS WEEK
JUNE 9, 1945

or whether Britain will avoid such a development by seeking large short-term loans in the U. S.

Alarmed at the prospect that Britain must drastically curtail imports, increasing numbers of American firms are inquiring about the possible advantages of establishing branch manufacturing facilities in Britain.

To provide a brief but comprehensive reply, the American Chamber of Commerce in London has just issued a study, "American Participation in British Industry," which declares that:

(1) British manufacturers whose civilian production has been restricted during the war will be given time to reestablish themselves before new competitors are allowed in the field.

(2) Foreign operators probably will be allowed unrestricted transfer of bona fide profits, especially if their manufacturing operations help boost Britain's exports.

(3) Repatriation of American capital following the sale of property in Britain will probably be restricted for some time.

(4) Introduction of foreign technicians in British branch plants is likely to be restricted to one or two per plant.

The British are alarmed at the practical problems involved in boosting the country's total exports 50% (demanded by all parties in the present election campaign). Because two prewar export mainstays—textiles and coal—which accounted for more than 50% of total foreign sales, are now sick industries, **London is expected to look favorably on any new venture.**

Incidentally, London is likely to lose its premier position as an international investment center as a result of wartime drains on sterling exchange.

South African gold mining companies—for the first time—are quietly investigating the possibilities of borrowing in the New York market.

Backed up demand for capital to repair and expand the mines is estimated at \$250,000,000.

Only a little less surprising is the revelation this week that heavy selling of Canadian Pacific Railway shares by British investors may result in control of the railroad passing from U. K. to U. S. interests.

Nearly 54% of the common stock was held by U. K. investors at last record, while 22% was held in the U. S.

The Soviet Union has adopted another hallmark of the capitalist world—and with it, perhaps, will acquire some of the headaches.

In an effort to improve the quality of a long list of consumers' goods and to safeguard public health, **Soviet officials have decreed that all packages must now be fully labeled according to specifications laid down by special commissions in the various republics.**

Allied landings at Tarakan, if they lead to quick liberation of Borneo, should free rubber plantations which in normal times produced more than 80,000 tons of rubber a year.

Since stocks of natural rubber—essential for admixture with synthetic in heavy duty tires—are now dangerously low, don't be surprised if the push into Borneo develops fast, with oil a second vital objective.

U. S. Stake in Soviet Sphere

Eastern Europe's reorientation poses many economic problems—notably huge American investments—which underlie diplomatic maneuvering as Russian influence expands.

In eastern Europe there is now an acknowledged Soviet sphere—apart from the occupation zone in Germany—bordering a line from the Baltic Sea to the Adriatic. However strong or weak the political propensities of this area may be, on what party flag pro-Sovietism is emblazoned, the fact of eastern Europe's reorientation cannot be blinked.

Clews to Meaning—It may be many months before the full consequences—western Europe, to the world, and the eastern countries themselves—can be clearly defined, but the traditional role of the area, in Europe's and the world's economy, provides clews to what reorientation may mean and suggests problems which may follow in its train. Within the Soviet sphere lie Poland, Austria, Czechoslovakia, Hungary, Rumania, Bulgaria, and Yugoslavia—with 32% of the population (130,000,000) and 32% of the land area of continental Europe (excluding the U.S.S.R.).

The Stakes—Within this sphere, western Europe and America hold important stakes of two kinds. Both are of sufficient magnitude and long-range importance to merit careful study in the perspective of current trends:

(1) The government debts of eastern European countries, held by the western powers, are on the order of \$5,000,000,000. In addition, American firms and individuals own properties valued at \$755,000,000, and investors of western European countries may hold an amount of equal magnitude. (Fully 76% of American private investments in Europe is within the eastern sphere.)

(2) Tradewise, in 1938, the eastern European countries accounted for roughly 5% of world trade (the U. S. in 1938 took 9% of world imports, shipped 14% of world exports). Dollarwise, eastern Europe's imports were \$1,215,000,000, and exports were \$1,223,000,000, in 1938—four or five times the magnitude of Soviet trade.

The Questions—Will there be widespread repudiation of government debts, and expropriation of private holdings in eastern Europe? Or, will there be a wave of industrialization involving new opportunities for capital investment?

Will there be a diversion of the normal direction of the area's trade, with eventual creation of a new currency bloc in the east comparable with the sterling and franc blocs in the west?

History must write the answers to these questions, but it also gives us some indication of what they may be.

• **Large Exports**—As a backward agricultural area, eastern Europe exported its food surpluses and raw materials to the industrial countries of western Europe, and took their manufactured goods in return. In 1938, Czechoslovakia sold 50% of its exports to the western countries, the Balkans sold 63%, and Poland sold 72%. Trade within the area, even between neighbors, was small: less than 10% for Poland and the Balkans, and about 25% for Czechoslovakia and Austria.

Like Russia before the last war, or Latin American today, eastern Europe has constantly turned to the western countries for financial aid, in the balancing of government finances and for development of its resources.

In Yugoslavia 60%, and in Rumania 85%, of industry is foreign-owned. In Poland, where heavy industry was largely state-operated, 40% of industry was foreign-owned. So large were the foreign-held government debts of the area

that, on the average, 20% of national budgets was devoted to foreign debt service.

• **Nationalization Trend**—What implications for the western powers can be read today from the fact of the formation of new, possibly revolutionary, governments in this area—all of them voluntarily or expediently allied with the Soviet Union, or reliant on the Soviets for security and reconstruction?

In at least three of the seven countries—Czechoslovakia, Poland, and Yugoslavia—the nationalization of heavy industry, utilities, and primary resources is an expressed aim of existing political regimes. In part, the scrambling of corporate and financial ownership under German occupation is given as a force compelling nationalization, at least temporarily. Also, properties of enemy aliens and collaborationists are to be government-operated.

• **Need for New Capital**—But the devastation of war, looting by the enemy, and abnormal replacement needs have created vast requirements for new capital equipment and investment. If nationalization of foreign-held properties is a settled policy, will foreign owners be adequately compensated? Repudiation of debts might impel another blockade and boycott of trade and investment, such as confronted the U.S.S.R. after the last war.

In any case, other immediate circumstances, of equal force, may dras-



MEN IN SEARCH OF NEW PROSPECTS

Counterpart of the rush of American businessmen across the Atlantic is the stream of British and European industrialists coming to New York on the Clipper. Robert D. Montagnan (left), chief engineer of the paper committee of the French Ministry of Industrial Production, is here to obtain machinery for France's paper industry. John R. Paton, managing director of John R. Paton Co., Ltd.—one of Cardiff's largest canning establishments—arrived under British Board of Trade auspices to look over U. S. and Canadian canning plants.



POSTWAR TRAFFIC

Empty and riding high, a Soviet freighter arrives for loading at Portland, Ore., whose Willamette River port is bulging with lend-lease goods for Russia. Much of it includes tail-end shipments, material to complete projects already started, and supplies for occupation forces, but traffic is so heavy that Portland lend-lease officials cite a need for more dock workers. Although the State Dept. explains that U.S.S.R. lend-lease will continue on a scale necessary to achieve "final victory," any mention of Russia is omitted from the \$4,375,000,000 lend-lease program before Congress. The program, however, is subject to change—Russia's neutrality pact with Japan expires during the fiscal year.

tically alter the traditional commercial relations of the area.

The Soviet sphere has been the breadbasket of Europe (and the Soviet-held section of Germany is a food surplus producer). The diversion, at least temporarily, of these surpluses to meet Soviet needs would aggravate conditions in liberated western Europe, and temporarily increase the drain on the United States and other overseas suppliers.

• **Large Coal Resources**—Although eastern Europe is predominantly an agricultural region (it has 38% of Europe's arable land), it counts among its natural resources 25% of Europe's coal and lignite, 20% of the waterpower potential, 5% of the iron ore, and considerably more than 50% of the bauxite. But on the average, it has a lower per capita natural wealth (except in land) than either western Europe or the U.S.S.R.

In central Europe—Silesia, Austria, and Czechoslovakia—lie most of the coal, as well as industry which produced 15% (8,500,000 tons) of Europe's coke and steel (6,000,000 tons) before the war. This area is rich in lead and zinc.

In an age of light metals, a TVA for the Danube and harnessing of the area's hydroelectric power to an aluminum industry based on rich local bauxite deposits (in Yugoslavia and Hungary) could revolutionize the Balkans.

• **Eastward Trend**—But already the trade of the area is being turned eastward. This week Rumania signed a trade agreement with the U.S.S.R. calling for the exchange of Soviet machinery for Rumanian oil, foodstuffs, and metals.

The industrial output of Polish-Czech-German Silesia, whose plants were taken almost intact, is sure to supplement machinery reparations from Germany to Russia. A part may be allocated to the eastern countries, for the repair and expansion of existing plants.

But in the long run, eastern Europe's surpluses are noncomplementary with those of the Soviet Union. After the first food needs are met—until cattle herds are replenished and land is replanted—its surpluses will duplicate those of the neighboring Ukrainian and White Russian republics of the U.S.S.R.

• **New Relationships**—The pattern already plotted in Rumania may be duplicated elsewhere in the Soviet sphere, creating a new trade orientation with significant implications for the western world.

Eastern Europe's agriculture offers vast opportunities for mechanization, and war-expanded Soviet tractor and farm machinery plants—already converted to peace production—may soon have surpluses to meet these needs.

Thus a new triangular trade relationship may evolve: the Soviet Union supplying eastern Europe with textiles, machinery, and other manufactured goods, eastern Europe supplying its old customers in the western world with foods and raw materials, and the western world providing the U.S.S.R. with the badly needed heavy capital equipment which it is now unable to make itself and prefers to buy abroad if it can do so on reasonable terms.

If the eastern area is virtually closed to the exports of western Europe, a new "ruble bloc" may emerge on the Eurasian continent. From eastern Europe's billion-dollar exports, the U.S.S.R. might benefit in foreign currencies to the tune of several hundred million dollars a year—a sum which would go a long way toward meeting its prospective postwar requirements for industrial imports.

• **Behind the Maneuvers**—These are some of the salient factors which epitomize the economic stakes held by the

western powers in eastern Europe as merges with the Soviet sphere. The underlie political and diplomatic maneuvering in Europe today; they certainly find counterparts in the future in the Middle East and eastern Asia where the war is expanding Soviet prestige and influence.

London Barrier

Traditional British system of channeling empire imports fought by many U. S. businessmen as restricting trade.

In an effort to put their export trade on a more profitable basis, many American businessmen are currently engaged in trying to break down the traditional British practice of channeling the empire's imports through London.

• **Restrictive Methods**—Britain has gained much from this practice, receiving not only direct profits from sales but also returns for its banking, shipping and insurance companies.

A generation ago most American firms that fell in with the system probably benefited from superior British overseas connections, but today many feel that British methods have become restrictive and that business with the empire should be conducted directly with Americans.

• **Free Hand Sought**—A case in point is the book trade. For two or three years U. S. publishers have been anxiously attempting to replace the Anglo-American publishers' agreement of 1926 with a new understanding which would enable them to sell directly in empire markets.

Under the 1926 agreement, the Publishers Assn. of Great Britain agreed to publish American books in Britain only if British rights also included rights in the empire, excluding Canada.

• **Rigidly Enforced**—On the British side every effort was made rigidly to enforce this agreement. In a few instances where American publishers sold local rights, for example to Australian or South African publishers, without first going to London, the books were denied publication in Britain.

Moreover, if a British publishing house decided not to issue a new edition of an American book which was in print in Britain, dominion booksellers were not permitted, under threat of a boycott by London suppliers, to sell any available American editions.

• **In the Middle**—The arrangement of South African booksellers money for other ways.

For example, when they order a pro-

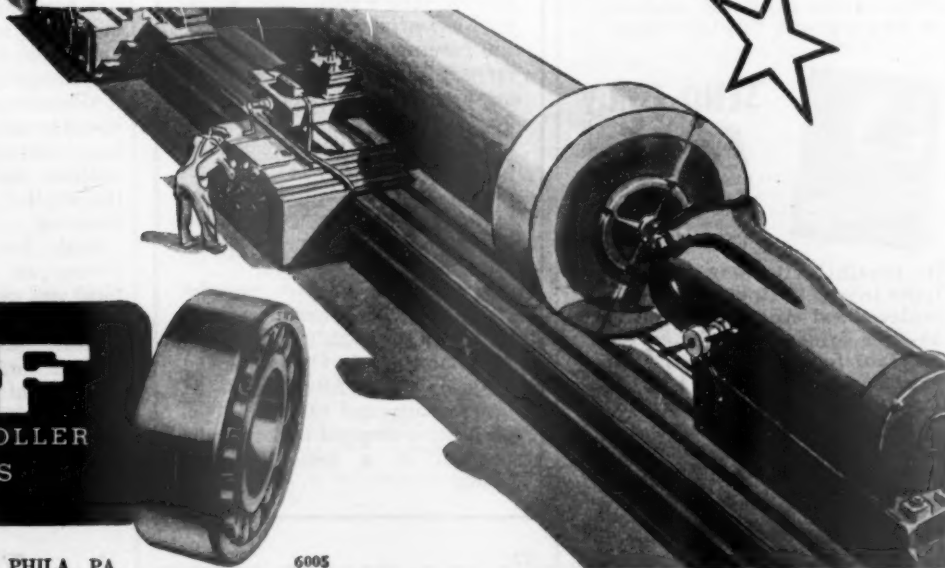
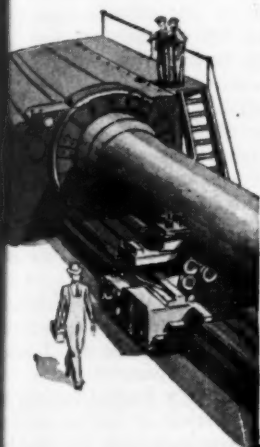


The small "hobby" lathe on which you make candle sticks and chair legs, and the huge ordnance lathe that turns down big gun barrels, both require ball or roller bearings such as SKF produces. Wherever wheels spin or shafts turn, SKF bearings are demonstrating their efficiency, for SKF makes anti-friction bearings of many different designs for virtually all rotating machines.

These bearings have met the most rigid governmental requirements and are contributing substantially to the good performance of our war equipment. SKF is proud of this participation, but at the same time hopes that the production of ball and roller bearings will soon be returned to normal channels, and that distributors can once more make them available to peacetime industry.

Whether you are seeking to speed up your production for the final drive of the war or are planning reconversion to post-war operation, an SKF engineer will gladly help you select

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ular American book which they think will be a best seller, they may find that a British publisher has taken out the copyright while their consignment is en route to South Africa. If this happens they are not allowed to sell the books, and the American publisher is naturally reluctant to take them back.

• **Another Squeeze Play**—Booksellers in South Africa also object to the wartime practice of some British publishers by buying the copyrights of American books when they know that the paper shortage in Britain will make it impossible for them to supply both home and empire demands.

But if South African booksellers flout the provisions of the Anglo-American agreement and sell U.S. books, the copyright of which has been bought by a British publishing house, they can easily be squeezed out of business by the refusal of British publishers to supply them with any books. No bookseller in the union could hope to survive by selling American books alone.

• **Some Escape**—U.S. publishers who have established English companies to handle their books are not faced with these ticklish problems and can sell freely in British markets. It is a question for other publishers—and for all American businessmen who wish to expand their sales in the empire—whether to set up branches in Britain or to fight through the issue on the principle of freely competitive trade.

Since there is a distinct possibility that a dollar shortage will exist in western Europe during the early postwar years and the sterling area will be ex-

tended in some form to include Netherlands, Belgium, France, Scandinavia, the issue assumes larger proportions. For in that British-western European arrangement similar to those in effect for the book trade might be made in many fields of business, and American exporters would have an even bigger problem on their hands.

CANADA

Victory for King

Preelection polls indicate that Canadian prime minister will win working plurality Monday's national balloting.

OTTAWA—Canada will go to the polls on Monday to elect a new government or to confirm in office its wartime leadership. From a field of 965 candidates the electorate will choose a parliament of 245 members and in doing pick the executive to lead Canada during the important years ahead.

Latest samplings of public opinion indicate a working plurality, but not a majority, for Prime Minister Mackenzie King's Liberal Party—with at least 115 seats in Parliament. The fight for the role of His Majesty's loyal opposition between the Progressive-Conservative and Cooperative Commonwealth Federation parties will be close.

• **Problems Await Winner**—When election smoke has cleared away, a new government will be faced with a busy program. Parliament will be summoned to adopt a budget covering the tapering-off period of war expenditures and heavy commitments on rehabilitation and reconstruction; to legislate some reduction in income taxes and other imposts; and to lower tariffs.

Whatever government is put in office it will be expected to call a conference long deferred, on dominion-province relations. Such a conference must pave the way for rehabilitation and postwar planning.

Right now, for example, natural resources are under provincial control, fiscal and monetary policies are in federal hands. Similarly, continuation of federal-sponsored labor regulations, nonwar provincial industry requirements, approval of several provincial governments.

• **Tax Pact Expires**—Also, the tax agreement under which the provinces gave control of income and corporation taxes to the federal government during the

Liberals on Defensive

OTTAWA—The sweeping triumph of the Progressive-Conservative Party in Ontario's general election June 4 puts Prime Minister Mackenzie King and his Liberal government on the defensive for next Monday's nationwide voting to elect a new federal Parliament.

George Drew, minority premier of Ontario since 1943, was returned to office, with more than 66 seats in the 90-seat Ontario legislature pledged to support him.

Of equal significance was the failure of the Cooperative Commonwealth Federation Party to hold the gains in Ontario it had won in 1943. After being the second party and the official opposition, it dropped back into the position of a minor political group.

will cease to be binding one year after the end of hostilities. The system must either be renewed or revised in the near future if long-range federal and provincial postwar plans are to be successfully prepared. During the war the financial load on the provinces has been relatively light. They have not embarked upon heavy investments. The war's end will increase their responsibilities and will either demand a return of tax or annual subsidies from the federal government for local projects.

RANK EXPANDS IN CANADA

Arthur Rank, globe-trotting British film magnate, is back in Canada. Late last year he caused a flurry in Canada and the United States with first whispers of his postwar expansion plans (BW-Dec. 2'44, p. 76). Last week he revealed that Toronto has Canada's first important commercial film studio, to produce documentary and educational films.

Since his visit last November, Rank

1) Set up a partnership, with Paul Nathanson of Toronto, to build a chain of theaters across Canada to serve as outlets for British and Canadian

2) Through Odeon, a Rank-controlled firm, acquired over 100 theaters. 3) Purchased sites for additional theaters, to be built as soon as the war restrictions on materials and construction are relaxed.

4) Set up a new distribution firm, the Line of Canada, to handle both British and Canadian films.

5) Picked up two film ideas for production in Britain.

PLUS PLANT SOLD

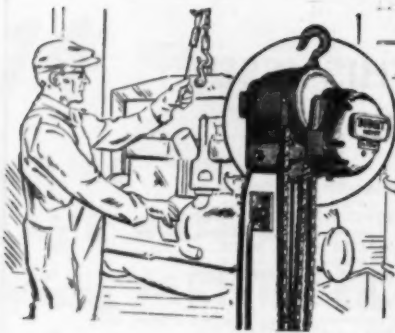
One of the first purchases of Canadian surplus war plants by an American firm has been revealed by Munitions and Supply Minister C. D. Howe; it is part of the government-owned Research Enterprises, Ltd., Toronto, to build Glass Works, for an unredacted sum. During the war, Canada built 98 new plants, valued at \$534,000; total federal outlay for production facilities amounted to nearly \$400,000.

Research Enterprises, Ltd., was built in 1940 to replace German-made optical glass and as protection against loss of British production through air raids. It has purchased the mobile assembly building which will be constructed, with the addition of new melting furnaces, to manufacture of Pyrex ware. Ovenware was imported by Canada before the war.

ADVERTISERS IN THIS ISSUE

Business Week—June 9, 1945

ACE MANUFACTURING CORP.	8	KEASBEY & MATTISON CO.	4
Agency—Gray & Rogers		Agency—Gear-Marston, Inc.	
ACME STEEL CO.	44	KEYSTONE STEEL & WIRE CO.	41
Agency—Fulton, Morrissey Co.		Agency—Mace Adv. Agency, Inc.	
AETNA LIFE INSURANCE CO.	102	WALTER KIDDE & CO.	80
Agency—Fuller & Smith & Ross Inc.		Agency—Newell-Emmett Co.	
AIR-MAZE CORP.	54	KIDDER, PEABODY & CO.	75
Agency—Fuller & Smith & Ross Inc.		Agency—Doremus & Co.	
AIR REDUCTION SALES CO.	11	KOPPERS CO.	4th Cover
Agency—Q. M. Sanford Co.		Agency—Ketchum, MacLeod & Grove, Inc.	
AMERICAN BROADCASTING COMPANY	35	THE LAMB ELECTRIC CO.	92
Agency—Batten, Barton, Durstine & Osborn, Inc.		Agency—The Bayless-Kerr Co.	
AMERICAN CHAIN & CABLE CO., INC.	104	LEBANON STEEL FOUNDRY	42
Agency—Reinecke-Ellis-Younggreen & Finn, Inc.		Agency—Folta-Wessinger, Inc.	
AMERICAN CREDIT INDEMNITY CO.	84	LIBBEY-OWENS FORD GLASS CO.	53
Agency—VanRant, Dugdale & Co., Inc.		Agency—Fuller & Smith & Ross Inc.	
AMERICAN EXPRESS COMPANY	46	MANING, MAXWELL AND MOORE, INC.	70, 122
Agency—J. M. Mathes, Inc.		Agency—Briggs & Varley, Inc.	
AMERICAN MAGNESIUM CO.	55	THE MASTER ELECTRIC CO.	58
Agency—Fuller & Smith & Ross Inc.		Agency—Superior Advertising, Inc.	
AMERICAN TELEPHONE & TELEGRAPH CO.	86	THE MERIAM INSTRUMENT CO.	102
Agency—Newell-Emmett Co.		Agency—The Bayless-Kerr Co.	
ATLAS POWDER CO.	65	MILWAUKEE DUSTLESS BRUSH CO.	46
Agency—The Altkin-Kynard Co.		Agency—Barnes Adv. Agency, Inc.	
BANK OF THE MANHATTAN CO.	77	MONSANTO CHEMICAL CO.	123
Agency—Newell-Emmett Co.		Agency—Gardner Advertising Co.	
BARCO MANUFACTURING COMPANY	14	NATIONAL ASSOCIATION OF MOTOR BUS OPERATORS	95
Agency—Campbell-Ewald Co., Inc. Eastern Div.		Agency—Beaumont & Hohman, Inc.	
BEMIS BROS. BAG CO.	43	NATIONAL CITY BANK OF CLEVELAND	74
Agency—Gardner Advertising Co.		Agency—McCann-Erickson, Inc.	
BRODERICK & BASCOM ROPE CO.	97	NELSON DOUGLASS & CO.	76
Agency—Watts Adv. Agency		Agency—Robert F. Dennis, Inc.	
BURROUGHS ADDING MACHINE CO.	23	THE OREGONIAN	25
Agency—Campbell-Ewald Co., Inc.		Agency—MacWilkins, Cole & Weber	
CARDOX CO.	90	PENNSYLVANIA RAILROAD	113
Agency—Evans Associates, Inc.		Agency—Al Paul Lefton Co., Inc.	
CARRIER CORP.	49	PENNSYLVANIA SALT MFG. CO.	96
Agency—Chas. Dallas Beach Co.		Agency—Gear-Marston, Inc.	
CELANESE CELLULOID CORP.	67	PESCO PRODUCTS CO.	12
Agency—Ivey & Ellington, Inc.		Agency—Fuller & Smith & Ross Inc.	
CHRYSLER CORP.	33	PLYMOUTH CORDAGE CO.	2
Agency—Ruthrauff & Ryan, Inc.		Agency—Fuller & Smith & Ross Inc.	
C. P. CLARE & CO.	104	PRESSED STEEL TANK CO.	112
Agency—Hamilton Adv. Agency		Agency—The Buchen Co.	
THE COLSON CORP.	68	THE PULLMAN CO.	103
Agency—Meermans, Inc.		Agency—Young & Rubicam, Inc.	
COMMERCIAL CONTROLS CORP.	110	RADIO CORPORATION OF AMERICA	109
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CONTAINER TESTING LABORATORIES, INC.	76	RECONSTRUCTION FINANCE CORP.	71
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CONTINENTAL CAN CO., INC.	114	REMINGTON RAND, INC.	47
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EDIPHONE DIV. THE THOMAS A. EDISON, INC.	89	THE SPERRY CORP.	37
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Agency—The Buchen Co.		Agency—Campbell-Ewald Co., Inc. Eastern Div.	
GENERAL ELECTRIC CO.	45	U. S. TREASURY DEPT.	111
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Agency—Howard Swink Adv. Agency		THE WAYNE PUMP CO.	88
HOTELS STATLER CO., INC.	63	Agency—Bonith Adv. Agency	
Agency—Young & Rubicam, Inc.		WELSBACH ENGR. & MGMT. CORP.	72
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Their physical strength and energy may have declined, but experience has made them wise in the ways of production. What they know is so much more valuable than their muscles.

Give such a man a 'Budgit' electric hoist to do the heavy lifting, and he will turn out a full day's work for your greater profit and his own satisfaction.

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THE MARKETS

(FINANCE SECTION—PAGE 69)

Since the vigorous thrust which culminated in the registering of brand new 1942-45 bull-market highs last week, many investors and traders have turned a bit more cautious and have started to cash in some of their paper profits.

• **Selective Buying**—As a result, many stocks have been showing a tendency to slip well under the peaks reached a week ago and the market lately has been churning around aimlessly.

Some additional unfavorable technical signs have likewise entered the stock market picture lately. Conspicuously absent from recent trading, for example, has been that type of market leadership which would ordinarily be needed to spark any further sharp price rise. Instead, aggressive buying interest has been highly selective and has tended to shift daily from one group to another. Also, more than one market student hasn't liked the way activity has been increasing in lower-priced speculative stocks.

• **Volume Holds Up**—Despite the increased caution exhibited by some formerly bullish market participants, trading volume has been holding up well. Such activity has also continued to show, with few exceptions, a definite tendency to contract whenever prices began to disclose any signs of retreat.

According to many brokers, reconversion problems have been relegated to the background, at least temporarily, as a market factor. Investors now have their eyes on the international political situation, according to these sources, and it has been the recent bickering in that field which has been causing much of the recent increase in caution.

• **Lull Was Expected**—Wall Street's more bullish market letter writers claim

not to be particularly worried over the current lull.

They say they never expected the market to stage unbroken advances, but had looked for it to follow more or less the pattern set in recent years. This calls for only a moderate advance after each penetration into new high ground, followed by a period of profit taking.

Although the need for continued high-level war production for some time ahead will restrict many actual physical changes, according to this group, substantial progress is being made now in the early steps of reconverting industry to peacetime basis. Consequently, unless the war with Japan ends within the next few months, they expect the economic shock of total peace to prove considerably less formidable than many have feared.

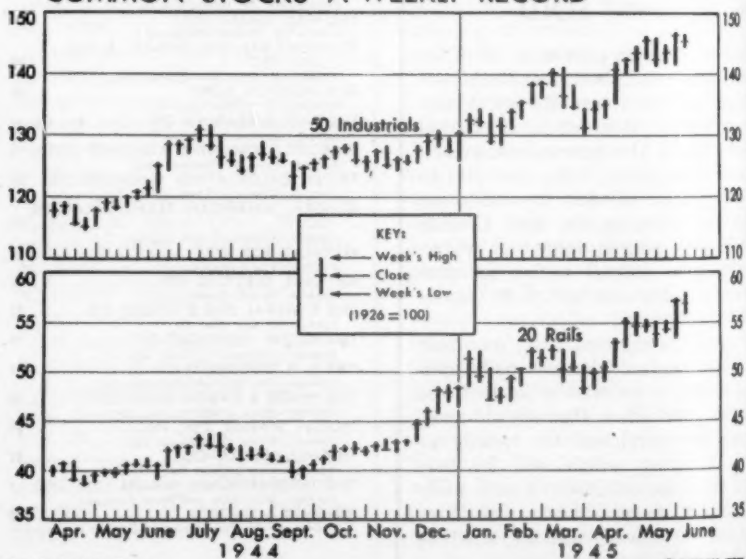
Despite bullishness on this point, however, they are taking no chances. Like some of the less optimistic market students, these operators are generally urging clients to be selective in purchases and to concentrate holdings in the securities of companies with superior management records to make certain of as much protection as possible.

Security Price Averages

	This Week	Week Ago	Month Ago	Year Ago
Stocks				
Industrial ...	145.4	146.4	145.6	121.6
Railroad	56.9	57.2	54.7	40.6
Utility	68.4	67.7	66.4	51.6
Bonds				
Industrial ...	122.3	122.2	122.0	122.0
Railroad	115.3	115.0	115.3	106.5
Utility	116.5	116.6	116.4	115.4

Data: Standard & Poor's Corp.

COMMON STOCKS—A WEEKLY RECORD



What!... a "modest" plastic?



It's true! Unsung and almost unnoticed in the general excitement over plastics of more glamorous merits, is that modest, hard-working member of the plastics family, the Industrial Resins group.

Hiding their qualities by impregnating, bonding, coating, laminating or sealing other materials, their tremendously important wartime assignments (some secret) are not widely known. But Monsanto, with a wide series of these thermosetting plastics-in-liquid-form, knows well their wartime importance, and their peacetime potentialities.



For example, there are Resinox resins that impregnate and bond wood, paper, fabric, or glass for all kinds of structural and operating parts of machinery or aircraft (the wing tabs and elevator tabs of the CG-4A glider, the filters for B-29's), or the liners for G-I helmets.

Heat and pressure convert these materials into rigid forms with greater tensile strength, greater impact strength, than molded plastics or other practical materials. Certain formulations provide excellent electrical properties, chemical resistance, resistance to weather and wear.

There are Monsanto resins for making brake linings and abrasive wheels, for bonding insulating wool, coating paper, enameling wire, etc. Then there are Thalid sealants for sealing magnesium and aluminum castings.

Perhaps you have a manufacturing problem which these versatile Monsanto industrial resins might solve. Write: MONSANTO CHEMICAL COMPANY, Plastics Division, Springfield 2, Mass.



ine, Ruhr, and Ruin

How the people of Paris responded to news of the defeat of Germany was in last week's Trading Post, through excerpts from personal letters written the scene by John F. Chapman, Business Week's Foreign Editor.

Chapman's impressions of Germany, down in letters home after a journey airplane and jeep into the Rhineland Ruhr Valley, should be equally interesting:

None of the many photographs of engine prepared me for the shock of the thing. Only a few streets have been covered of rubble. The cathedral stands like a dark skeleton in the midst of the ruins. Understand that Woolworth has written its entire German investment, and if one store I saw is an example of what will find generally, they have been We drove for miles without seeing more than a handful of Germans. There is no place to live, and no water, or sanitation.

Crossing the Rhine was easy, because the Army had built a new bridge. But the journey to the Ruhr few bridges are found, detours were many, and the rugged jeep broke down; but finally the industrial region was reached.

We stopped at battered factories to see what condition the machinery was in, what kinds of stocks of raw materials they had on hand, what had happened to the workers, and to check samples of their goods.

There was no shortage of anything. Millions of tons of coal are above the ground. Hundreds of tons of carbon black, and large stocks of lead, zinc, and manganese are available.

Despite the wreckage of the Ruhr as a whole, many of the plants have suffered only superficial damage. Some sections of the largest rail equipment producer in Europe are devastated. But others could be cleared in a few weeks.

Essen was dreadful. Essen stinks of rotting horse and human flesh. The Krupp plant, which occupies the center of the town, is a wretched skeleton of what was once the worst offender in German rearmament. Krupp directors mostly are under military arrest. But the one we met—by purging him to his home—was drinking himself into a coma. He ought to, for his business will not start again for a long time.

* * *

Other Ruhr towns are slightly less battered, but the whole place is a shambles. Most of these cities well over half the shops were blasted to nothing. A little smoke comes from the chimneys of many of the plants, but that is because the Ruhr sits on one great bed of coal and the Germans, when they abandoned the town, carefully left technicians in charge of the coke

ovens so that fuel might be provided for the local power plants which, in turn, keep the pumps operating in the mines.

Transportation, as might be imagined, is difficult:

Trolley cars in Essen hang at precarious angles from low buildings to which they were blown when bombs crashed. Others burned in the streets.

We actually saw a trolley running out of Dortmund. It couldn't go far, I'll bet, without running into a bomb-torn stretch of track or a missing bridge, but it was full of grim-looking Germans heading wherever it would take them.

The retreating Germans crazily blew all bridges, but it is the German people who are suffering from this folly. They delayed our advances very little, and those bridges we have rebuilt are reserved almost exclusively for military transport. Canals and rivers—main transport routes of this region—are hopelessly clogged by ruined and temporary bridges and, except where we need a water route desperately, nothing yet is being done about it.

* * *

Residents of Cologne were able to flee into the interior of Germany when our armies advanced. The Ruhr, however, was quickly surrounded by Allied armies and the area is so densely populated that the citizens couldn't distribute themselves over a rural area without moving many miles. As a result:

The streets of places like Dortmund—if they can be called streets now—were crowded with people struggling to pick up their rations of fat, meat and bread, and to find the milkmen who still try to drive into the cities with milk and vegetables.

Every one with a foot of ground is farming it, as though conscious that he must depend very heavily all year on his own efforts.

Bakeries were set up on the ground floors of buildings that otherwise had been blasted to pieces. In some apartments, only three or four rooms, scattered over several floors, were left. These have been patched with anything at hand, and people continue to live in them.

Germany soon will be suffering the same shortages that it forced on conquered lands. But, right up to the end, Germany had lived very well. Women wear good rayon stockings. Everyone has leather shoes, in contrast to the wooden shoes, or at least wooden soles, in most of Western Europe. Clothes are not shabby. Almost everyone was wearing waterproofs in the rain. All have bicycles. They have red cheeks and are fat. They look altogether different than do the French. There is marked contrast between them and five American prisoners of war I met shortly after their release. They were a little pale. Their clothes were ragged and dirty. They could hardly believe they were no longer hungry.

THE TREND

LABOR ON THE EVE

Despite formal and structural differences and ideological divisions, the organized labor movement has a homogeneity of purpose which few other American institutions can match. The nature of its influence in the period just ahead—in which it will be one of many determining the new balances of our economic life as wartime government controls relax—is easily predicted. Whatever influence it can wield will be applied on every level for support of higher wages, shorter hours, limitation of work effort, and for job security and expansion of the welfare state.

Yet, while the nature of union influence is easily predicted, its weight is not so readily assessed. Leaving out of consideration such subjective factors as the quality of union leadership and the resourcefulness of elements opposed to unionism, the weight that the labor movement is able to swing is in direct ratio to the size and location of its membership.

- **The present strength** and disposition of union forces are truly imposing (see charts and table pps. 82, 83). At no time before in our history have the unions blanketed so much of industry. But this is as much a war phenomenon as the continued capacity production of synthetic rubber. Standing between V-E Day and V-J Day, organized labor is at the crest.

There has always been an ebb and flow in the union tide, and today organized labor is on the eve of a decline. A decrease in employment in the heavily unionized industries such as aircraft and aluminum, shipbuilding and steel, will take its toll. The mass job-shifting which will attend reconversion, the retirement from the labor market of many marginal workers, and the replacement of many workers by veterans are imminent changes sure to net fewer dues-paying unionists.

- **Beyond these developments**, which are the products of economic forces, two others will operate to depress union strength. These are a change in government policy and a stiffening attitude toward unionism on the part of employers.

The change in government policy which is coming is not a turnabout from pronunionism to antiunionism. The national administration can be banked on to remain organized labor's warm friend. What will change is the determination with which the government has been encouraging unionization in the past five years.

As labor organized in the great upsurge which began in 1934, Section 7A of the National Industrial Recovery Act, the Wagner Act, and an ally in the White House proved invaluable aides. By 1938, however, even with this assistance which had helped to run up membership to 8,000,000, the expansive force of organized labor was

about spent. Through 1940, the union movement made only nominal membership gains. Then came the defense program and the war—a five-year period in which organized labor added more than 5,000,000 members.

- **Now a war economy** is, of necessity, a controlled economy, and one of its major problems is creating the mechanisms through which controls can operate most effectively. Unorganized, labor is atomistic—difficult to mobilize, direct, and regulate. Organized, millions can be controlled through a handful of its leaders. Even the Nazis' implacable foes of labor unions though they were, organized a labor front under the requirements of a war economy. The same requirements changed the policy of our government from encouragement of unionization to, in effect, insistence upon unionization. An early symbol of our war labor policy was the appointment of Sidney Hillman as codirector of the nation's defense program solely on the basis of his position as a labor leader. His personal misadventures in Washington leading to his exit did not alter the pattern. He was followed by union representatives sitting on all the boards and agencies which touched war production. But, now, as the wartime necessity for control decreases, government's liaison with unionism will inevitably become less intense.

The relationship between organized labor and employers is also changing. Labor errs when it imputes to business a demonic design to destroy unionism. Many employers' acceptance of collective bargaining has been half-hearted; many have entered into contracts with unions only under the goad of necessity. But only an inconsequential few contemplate doing any union-busting, and industry has no "open shop plan" that it will militantly foster. Yet the restoration of competitive market, putting labor costs back into the area of competition, will alone be responsible for a hardened employer attitude. The unions will not find opposition as soft as it has been.

- **The unions are thus thrust** into a new environment where a shifting economic situation, less government patrimony, and a more hard-boiled employer attitude promises them a harsher climate. But they will not wither away. For the first time, they face retrenchment with a strongly organized base in the manufacturing industries and with contracts covering close to 15,000,000 wage earners. With their fighting strength at its peak, the unions will fight to hold all they can. The battles which loom before they settle back to a peacetime plateau promise to create one of business' gravest postwar problems.

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